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Hadzic Expects Croatia To Accept Demands

LD0305140993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1205 GMT 3 May 93

[Text] Geneva, 3 May (TANJUG)—Goran Hadzic, president of the republic of Serb Krajina [RSK], told journalists that he expected to receive guarantees today from the international community regarding the safety of people in Krajina.

After the talks, which resumed in the Palais des Nations this morning, Hadzic said he hoped that the cochairmen, ambassadors Peter Hall and Geert Ahrens, would agree with the proposal to demilitarize 10 km of the border area around Krajina and step up UN Protection Forces' activity on the demarcation line.

This afternoon the cochairmen of the talks on Krajina will meet the Croatian delegation which is expected to present its stands on the demands of the Serb side regarding the guarantees which are the prerequisite for accepting the agreement on the implementation of UN Secuity Council Resolution 820, signed in Geneva on 6 April.

"We do not expect Croatia to reject our demands, given that it was Croatia which put forward the proposal for demilitarization during the talks in New York," recalled Hadzic.

The talks on Krajina have so far been hindered by the international community's military threats, said the RSK president, adding that the meeting in Athens marked a turning-point in the general climate surrounding efforts to resolve the crisis on former Yugoslav territory.

Late this afternoon the RSK delegation will have another meeting with the cochairmen to coordinate the final version of the agreement which is expected to be submitted to the RSK assembly for adoption at the end of this week, said Hadzic in conclusion.

Croatia Withdraws From Talks With Krajina

LD0405210993 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 4 May 93

[Text] According to a statement issued by the Republic of Croatia's pemanent mission to the UN bureau in Geneva, the Croatian delegation at the Geneva talks on the implementation of the Vance-Owen plan and UN Security Council resolutions has decided to leave the negotiations until further notice because of the continued Serb aggression against towns in Dalmatia.

The statement adds that the Croatian delegation will not take part in negotiations before conditions guaranteeing their success are created. It also demands that officials of the Conference on Former Yugoslavia and the UN Protection Force exert maximum pressure on Serbs to immediately stop shelling Dalmatian towns, so that preconditions for real negotiations are created.

Albania Asks CSCE To Condemn Serbian Aggression

AU0105190993 Tirana ATA in English 1813 GMT 1 May 93

[Text] Tirana, May 1 (ATA)—Yugoslav crisis and armed conflict in Bosnia-Herzegovina and the measures to be taken by the international community to halt Serbian aggression were the main topic of the debates in the meeting of the senior officials of the CSCE member countries.

The document approved at the meeting denounces the policy pursued by the Serb regime and the crimes conducted by them. It demands that the UN Security Council undertakes a series of actions to put an end to aggression.

The question of Kosova, prevention of conflict, and the ending of Serbian repression, as always, focused the contribution of the participating states. The proposals of the Albanian delegation to denounce Serbian aggression and undertake the most severe commitments against the Belgrade regime were endorsed by many other delegations. Just as in the foreign ministers meeting in Stockholm, the states participating in this meeting presented in its document the demand for the UN presence in Kosova. The document also denounces the barbarous policy of ethnic cleansing and Serbian repression and expressed the resolution to put an end to this situation and observe the rights of the peoples in this region. It also demands the extension of the mandate of the CSCE missions acting in Kosova. In this document the participating states especially express worry over the extension of conflict and expressed their determination not to tolerate its outbreak.

CSCE Meeting Discusses Fact-Finding Mission

AU0405103493 Bratislava PRAVDA in Slovak 30 Apr 93 p 12

["zr"-signed report: "In Slovakia Satisfactorily"]

[Text] Prague—The 21st meeting of the Conference on Security and Cooperation in Europe [CSCE] Senior Officials Committee ended in Prague yesterday. It was attended by a Slovak Republic delegation headed by Pavol Hamzik.

The participants considered the CSCE's possibilities of contributing to solving the situation in the former Yugoslavia and the conflict in Nagorno-Karabakh, appointed German Ambassador Wilhelm Hoynck as CSCE general secretary, and discussed the report of a CSCE fact-finding mission that visited the Slovak Republic and the Czech Republic in March 1993 in conjunction with the two republics' admission into the CSCE.

The mission noted that the transition to a pluralist democracy in the Slovak Republic continues satisfactorily and was not disrupted by Slovakia becoming independent. The endeavor to achieve the highest standards in the observance of human rights and basic freedoms and in the sphere of the legal system is evident. The mission's positive conclusions regarding the position of national minorities in the Slovak Republic were also confirmed by the CSCE high commissioner for national minorities, the Dutch diplomat Van den Stoel, who observed that he did not notice tension or hostility between ethnic Hungarians and Slovaks in the southern parts of Slovakia. A three-member group of experts, the formation of which was approved by the Senior Officials Committee, will continue to monitor the situation of members of the Hungarian minority in Slovakia, as well as that of ethnic Slovaks in the Hungarian Republic.

Liechtenstein Official Says Claims Substantiated

AU0505131493 Prague CTK in English 2029 GMT 3 May 93

[Text] Vaduz May 3 (CTK)—Chief of Government of Liechtenstein Hans Brunhart told Czech journalists here today that Liechtenstein's property claims towards the Czech Republic were substantiated.

He said there were questions which had not been solved for a long time and remained open even after radical political changes in Europe.

The current dispute between Prague and Vaduz dates from March 1992. At that time, Liechtenstein handed over a note to the former Czechoslovakia saying that it was opposed to ratification of a trade agreement between Czechoslovakia and the European Free Trade Association (EFTA).

Liechtenstein demands about 1,600 square kilometres of land confiscated by Czechoslovakia in 1918 to be returned to its ruling house. The lands in question are mostly in Moravia.

However, later Liechtenstein Prince Hans Adam II withdrew his threat to boycott the trade agreement between Czechoslovakia and EFTA.

Liechtenstein is one of the seven members of EFTA.

Arbnori Views Assembly's Work, Prospects

AU0305083593 Tirana RILINDJA DEMOKRATIKE in Albanian 11 Apr 93 p 1, 4

[Interview with People's Assembly Presidency Chairman Pjeter Arbnori by Rakip Sulce; place and date not given: "I Am Confident of Addressing the Assembly Calmly..."]

[Excerpts] [Passage omitted] [Sulce] If we could express ourselves figuratively, our Assembly is now breaking the starting tape for the second year of its democratic life. Just like the athlete who turns his head back during the race, what will you say to our reader about the parliamentary year that we have just passed through?

[Arbnori] It was a year of a real parliamentary democracy. We carried out colossal work. The field of new laws was a land that had to be plowed furrow by furrow. We had to revise the whole communist legislation, as it was a law without being a law. We should take the experience of great democracies, without forgetting that we live under new conditions. We should get acquainted with the practice of former communist countries that started this road two or three years before us, so as not to repeat their mistakes and profit from everything good that they have accomplished...

[Sulce] Sorry to interrupt, but as you are talking about it, what distinguishes our assembly from that of these countries?

[Arbnori] We have an advantage that Eastern European former communist countries do not have. We have a stable majority in our People's Assembly, something that brings stability to political life. This is the most important thing....

Continuing to talk about the work performed, I can say that our aspiration, the establishment of a law-governed state and the courageous march of the reform are the two supports that will enable us to go toward Europe. To fulfill these obligations, the People's Assembly is working with self-denial. During one year alone, we have approved 135 new laws.

[Sulce] What was the procedure toward the approval of these laws?

[Arbnori] The majority of these laws have been approved both by the governing majority and the opposition. This is positive. Democracy is consensus, but it is also a majority when a consensus is not reached. Otherwise, they will appear to be like the "unanimous" voting under communism, which the people laughed at secretly after applauding openly.

The parliament is a battle of democratic contest, where everyone has stated and will openly state his own opinion, applying only its own regulations and parliamentary ethics....

[Sulce] While we are on the subject, considering the "fights" that occur among deputies in other parliaments, for which, as a recent example, I would cite the Italian senate, what can you say about this kind of "sport" in the Albanian assembly?

[Arbnori] Luckily not a fight or dismissal has occurred for a year and very few swear words have been used. [passage omitted]

I am determined to address the Assembly calmly, to smile when a deputy shouts aloud, and invite them to scream when their blood gets hot, because this way they can pour out their anger and then they can calm down to continue work.

[Sulce] What can you say about how hard deputies work?

[Arbnori] We are very conscious of how hard deputies work. They have no offices, secretaries, judicial counselors, or libraries, and we still ask more of them. [passage omitted]

[Sulce] What can you say about us, reporters?

[Arbnori] I feel very sorry for some reporters, who very irresponsibly say that our Assembly is not working, at a time when there is no parliament in the world that works so much and with so few advantages as ours. Apparently, these reporters misunderstand our repeated requests to work more. Intensity is demanded by the need and not by the obligation to do the impossible.

[Sulce] How have democratic ethics evolved this year?

[Arbnori] We are still not used to democracy. That is why it seems blasphemous to us when the opposition asks the government to resign. It may ask for the government's resignation every day as this is its job, just as it is the job of the majority to continue on the road it has started and to support the government, whose merits throughout this year of democratic life are indisputable.

Everyone has accepted his post during this difficult period not for the sake of receiving applause, praise, and laurels. Everyone should get down to work to clean out the stables and we should not be disturbed by the deafening noises of those who are used to setting the others to work and flattering themselves. However, we should not make the mistake of claiming that everything our opponent says is wrong. We should get used to listening to all opinions with patience before we decide.

[Sulce] The evident absence of deputies in the plenary sessions has been a phenomenon that we have also stigmatized. How do you consider this problem?

[Arbnori] A deputy's work not only consists of participation in the sessions. There are understandable absences, such as meetings in ministries to air concerns in various areas, meetings with the people, difficulties in communications, receptions for parliamentary delegations, visits in various countries at parliaments' invitations, national and international seminars, specializations, sickness (God willing, not), celebrations (God willing more), etc.

There are, however, unjustified absences. There are deputies who go abroad for weeks and months on personal business or private invitations. There are others who come late to the assembly, though they live some hundred meters away and although the Gjirokaster or Sarande deputies come earlier than them. There are others who do not come to vote, but stay in the cafes—and they do well. The worst about them is that they shout more than others about human rights and freedoms, while they want to get a full salary.

[Sulce] Some newspapers have several times made charges against you. How do you regard these?

[Arbnori] With indifference. All my life I have heard threats by investigators, shouts by prosecutors, curses by policemen, and slander from those who suffer from an inferiority complex. By replying to them, you are doing them a favor, putting them on your level. By not replying to them, you make them suffer. [passage omitted]

[Sulce] Your bilateral contacts and various deputies groups' contacts with the world have been numerous this year. What is your comment on this?

[Arbnori] The relations of the People's Assembly with the outside world have completely changed. From a parliament where no delegation set foot, the visits are now numerous.

We have established official working and consultation relations with the parliaments of the democratic world. We have made visits to France invited by its National Assembly, to Greece, Germany, Great Britain, Hungary, Romania. We have held numerous seminars with practical use. Our relations with Europe's Parliamentary Assembly are very good. A delegation from our assembly has been invited to the European Parliament in Brussels. In a word, those who have eyes can see that work is going fairly well. Those who do not wish to, let them not do so. [passage omitted]

[Sulce] What has been your greatest satisfaction this year?

[Arbnori] The meeting with President Clinton and the talk with him in Washington. [passage omitted]

[Sulce] Lastly, Mr. Pjeter, how do you see the near future?

[Arbnori] I have always been an optimist, especially now. However, I am not dreaming with my eyes open, and I am used to being satisfied with little.

[Sulce] Thank you! I wish you and the People's Assembly success in your very noble and worthy task!

Berisha Interviewed on Serbian Operations

AU0305191893 Warsaw RZECZPOSPOLITA in Polish 28 Apr 93 p 1

[Interview with President Sali Berisha by Ryszard Bilski; place and date not given: "There Will Be No Witch-Hunt"]

[Text] [Bilski] What moves do you expect from the Serbs, and what concessions are you prepared to make to ensure lasting peace in Kosovo?

[Berisha] I know of no negotiator who ever got anything out of Slobodan Milosevic. The Serbian president is a communist dictator. He accepts nothing and never keeps his word. His philosophy is lies and terror. The Serbian Army is fighting in Srebrenica, the whole world knows about it, and yet Milosevic denies it. If the world fails to stop Milosevic, Kosovo will erupt, and then our citizens will rush to their brothers with aid, regardless of the stance of the Albanian Government. I categorically deny that our army has been placed on alert on the border with ex-Yugoslavia. That can be verified.

[Bilski] It is generally held that Albania is living off humanitarian aid. What are the chances of reviving the economy?

[Berisha] When we started off one year ago, inflation was 40 percent. Now it is 1 percent. Agriculture, 90 percent of it privatized, is getting off the ground. Enormous progress has been made in this sphere. Private trade is expanding (half of foreign trade is private). However, still ahead of us are 15 years of hard work and sacrifices, particularly in industry. Without considerable foreign help, we will not get by over the next two or three years.

[Bilski] People say that if Albania's borders were to be opened up, the entire population would escape.

[Berisha] Many countries have gone through this. It is necessary to understand us. People travel to work for richer people, earn some money, save some capital, and then return and invest it in Albania.

[Bilski] Some people consider you to be a dictator. Many fear a sharp decommunization.

[Berisha] It is not true that I decide everything. Certainly not. I was and still am in favor of a strong parliamentary system. I am against declaring Albania a presidential republic, despite the fact that I have been urged to do so. There will be no witch-hunt. We are placing before the courts only those who have criminal offenses on their conscience, for example people responsible for the deaths of escapees because they issued orders to fire on escapees even when it was no longer forbidden to leave the country.

[Bilski] What are your thoughts following the Holy Father's visit to Albania?

[Berisha] I was happy yesterday, in Skanderbeg Square in Tirana, when in the presence of the Holy Father, I was able to say that the Polish Church inspired the reforms in this country and was the first to struggle for human rights in this part of Europe. The rights of the church are connected with the rights of man. The pope came to Albania to strengthen the spirit of Albanian democracy Not wishing to complicate the situation in this volatile region, he did not say anything that might have supplied the Serbs with a pretext to increase their repression of Albanians in Kosovo. We expect further Poles to visit Albania. Mr. Tadeusz Mazowiecki had promised to come to Tirana sometime over the next few months, and I have also invited President Lech Walesa and Prime Minister Hanna Suchocka.

President Berisha Meets With Rugova

AU0405185693 Tirana Radio Tirana Network in Albanian 1330 GMT 4 May 93

[Text] This morning, the President of the Republic Sali Berisha received the Kosovar delegation led by Chairman Ibrahim Rugova. Berisha and Rugova greeted President Clinton's decision on a more severe stand against the Serbs of Bosnia and Serbia, which was a deciding factor in achieving accord on the Vance-Owen plan and the third interfighting party in Athens. [sentence as heard] They hope that the signing of the plan will be followed by a fast application, which would put an end to the Bosnian crisis. A great role will be played by NATO troops. As was stressed before, this alliance is the only factor that can guarantee peace, stability, and security in Eastern Europe today.

By putting the Bosnian question on the road to a solution, Berisha and Rugova hope that the international community will focus its attention on the questions left unsolved in the former Yugoslavia. The crisis in this former federation cannot be solved without solving the question which marked its beginning and the disintegration of Yugoslavia, that of Kosova. The restrictive measures that obliged the Serbian leaders to accept a peace plan that they had previously called unacceptable should be used to achieve the same effect when the question of Kosova is placed on the agenda. Berisha and Rugova greet the stance of the cochairmen of the peace conference on former Yugoslavia, which sees clearly the continuing problems that should be solved in Serbia and Montenegro.

They expressed their conviction that the recognition of the former Yugoslav Republic of Macedonia by the international community constitutes a basic contribution to the stability and peace of the region. However, they stressed that this new state's respect of the status and the rights of the Albanian community in Macedonia, conforming to the Helsinki Charter and other CSCE documents, will be very important in consolidating peace and stability and in building a democratic society.

Berov Receives Council of Europe Official

AU0505061893 Sofia BTA in English 1900 GMT 4 May 93

[Ani Parmaksizyan report: "Prime Minister Meets Miguel Martinez"]

[Text] Sofia, May 4 (BTA)—"I invited the Bulgarian prime minister to attend a very important session of the Parliamentary Assembly of the Council of Europe with the president of Portugal, the French prime minister and the secretary general of the Organization for Economic Cooperation and Development," Mr. Miguel Martinez, president of the Parliamentary Assembly of the Council of Europe (CE), told journalists after his meeting with Bulgarian Prime Minister Professor Lyuben Berov today. Mr. Martinez arrived here yesterday at the invitation of National Assembly Chairman Aleksandur Yordanov with whom he conferred earlier today as well as with representatives of the four parliamentary groups.

We discussed the political, economic and social situation in Bulgaria, the great challenges facing the CE and the steps taken by the CE to put an end to the war in Yugoslavia, said Mr. Martinez.

At the meeting Mr. Martinez stressed that his visit to Bulgaria is already a routine one. We do not come here to check and control whether you are a normal state or not, because you have already passed all tests, the president of the Parliamentary Assembly of the CE said, according the government's spokesman. Mr. Martinez said that the democratic processes in Bulgaria are making normal progress and are irreversible. He said that Bulgaria is pointed to as a model to Romania and Slovakia in the regulation of internal inter-ethnic relations.

The president of the Parliamentary Assembly of the CE raised the issue of Russia's acceptance to the EC from the philosophical point of view. The Bulgarian prime minister said that Russia should be helped in entering the European structures which will cement the radical changes in that country.

According to the government's spokesman, Prime Minister Berov assured Mr. Martinez that Bulgaria would never be Bosnia because it is a wonderful example of the coexistence of different ethnic groups and minorities of different religious affiliations, that Bulgaria views with hope the agreement signed in Athens and hopes it to be a large step in settling the conflict in the former Yugoslavia, and that Bulgaria would observe Resolution 820 of the UN Security Council regardless of the fact that it closes its shortest routes to central and Western Europe.

According to Professor Berov the compensations for the losses suffered by Bulgaria as a result of the embargo could be indirect—the CE could help Bulgaria in easing some customs restrictions, decreasing transport fees and increasing export quotas.

This evening National Assembly Chairman Aleksandur Yordanov gave official dinner in honour of Mr. Martinez.

Defense Minister on Military Policy, Reforms

AU0505061593 Sofia BTA in English 2001 GMT 4 May 93

[Text] Sofia, May 4 (BTA)—"In my first 100 days I materialized best the promises I made on taking this position concerning the Defence Ministry's international contacts," Defence Minister Valentin Aleksandrov told a press conference today. He said the re-establishment and activation of Bulgaria's military contacts with its neighbours, NATO and the Western European Union [WEU] were the ministry's priorities in the past months.

To confirm this, Aleksandrov listed the military cooperation agreements signed with Balkan and West European countries since January. According to him, these agreements crowned the efforts of the military diplomats aimed at Bulgaria's security. "I am not pleased with developments after the talks with NATO and WEU representatives," Aleksandrov said. It is too early for Bulgaria to ask for membership in NATO, he said. Valentin Aleksandrov has put off all his visits abroad for the autumn and is planning to go round to all Army units in the country.

The reform in the Bulgarian Army depends on legislation, said Valentin Aleksandrov. According to him, the Army Bill drafted by the Defence Ministry has been introduced into the cabinet for discussion and Prime Minister Lyuben Berov is expected to submit it to parliament later this week. Aleksandrov said rules for military service were being made which would take effect by the autumn. He said he had dismissed seven generals and 37 officers for gross violations of discipline. Seven officers were dismissed under the law which bars officers from membership in political parties and organizations. "I will kill the political germ in the Army," said Aleksandrov. According to him, the reform in the Army includes the restoration of an effective Military Intelligence and Counterintelligence. He said 25 percent of Military Intelligence officers were dismissed and the staff of the Security Department was reduced by half in the latest cuts in late 1992. The department will be brought up to strength and will be upgraded, he said.

According to Aleksandrov, the Defence Ministry budget proposed under the 1993 Budget Bill will not allow the Army to buy new equipment. A possible solution would be to impose "tight constraints on spending" and negotiate with leading Bulgarian bankers for financial assistance. The defence minister said the existing Financial Office of the ministry would be replaced by an Auditing Office. "Theft is practiced in the Bulgarian Army," he said.

"Bulgaria is not going to wage war against any country," said Mr. Aleksandrov. The Bulgarian Army focuses its attention on combat training and studies. The Defence

Ministry is revising thoroughly the curricula of the Military Academy and the military schools. Valentin Aleksandrov said the establishment of a National Academy for National Security is under preparation which will offer 45-day and three-month courses for high-ranking military officers, diplomats and journalists. He said 40 officers and 20 senior ministry officials had been sent for military training in the United States and Western Europe this year. Unfortunately, less and less young people apply to military schools, Aleksandrov said. According to him, there are some 3,000 vacant officer positions in the Army now. "Young people in Bulgaria do not want to devote their lives to the difficult profession of an officer," he said. Valentin Aleksandrov stated he was against the establishment of a professional Army.

Deputy Prime Minister on Defense Privatization

AU0405141493 Sofia BULGARSKA ARMIYA in Bulgarian 29 Apr 93 p 1

[Interview with Deputy Prime Minister Neycho Neev by Georgi Kardanov; place and date not given: "It Is Time To Win Battles in the Diplomatic, Not the Military, Field"]

[Text] [Kardanov] The military-industrial complex [MIC] is becoming a bone of contention. Some people regard it as the goose that lays the golden eggs, while others undervalue it. What do you think?

[Neev] The military-industrial complex should be treated the same as all the other enterprises in Bulgaria. It should be subject to the same conditions as other companies and should be privatized as soon as possible. However, under the procedure that we have chosen and under these stupid laws that we have passed I doubt whether anything can be privatized. The people concerned, even including the creditors, purely and simply cannot open up the way to reach the MIC....

[Kardanov] You are no doubt aware that a moratorium has been proposed on the privatization and restructuring of the MIC.

[Neev] In my view, this is an mistake.... What difference will it make if the MIC is privatized? When a state wants to arm itself, it issues a state order which any company in the MIC will fulfill. It is naive to keep it under state ownership with the aim of using these plants to make nuts, bolts, and so on in the event of war breaking out one day.

[Kardanov] Can you confirm that no secret privatization will take place in the MIC?

[Neev] There will be no secret privatization. It cannot take place openly, let alone secretly. At the moment, the more property that the state retains, the more realistic it becomes to transfer money into the private sector. In other words, a secret transfer of funds is taking place from state ownership to private business, and both the government and parliament should realize this, so that they have fewer qualms about privatizing plants in the MIC.

[Kardanov] Do you mean all the plants, or only those in the auxiliary and service sectors?

[Neev] All of them, without exception. This also applies to special production. If other states can do it, why can't we? If the state continues to protect the MIC behind the flag, no one will ever get inside it, and you can be sure that the laws of economics will not forgive it. These laws do not forgive anyone. When you have inefficient production, disadvantageous contracts, and decline, the time comes when.... Communism was a typical example. For 45 years we covered things up and tried to sustain ourselves, but we collapsed suddenly under the pressure of the laws of economics. The same is true of the state enterprises.

[Kardanov] If the MIC is completely privatized as you suggest, do you not see a risk to our national security?

[Neev] I have said it many times, and will repeat it now: In the situation that has developed in Europe and the Balkans, our national security no longer depends on our military strength. It depends most of all on sensible foreign policies and rapid economic development. Bulgarian interests, national security included, all depend on this. The time has gone when our national security depended on our armaments. This was true a hundred years ago, when we lost almost all our wars. The time has come for us to win our "battles" in the diplomatic, not the military, field. It is pure naivete on our part to imagine that the MIC will save us and guarantee our national security and sovereignty if we keep it and do not privatize it. In Bosnia both sides have already accumulated mountains of weapons, and you can see what peace and security this has produced for either side....

Army Could 'React Quickly' If Conflict Spreads

AU0405122393 Sofia KONTINENT in Bulgarian 30 Apr 93 p 3

[Gabriela Nikolova report from Sofia on 29 April: "Bulgarian Army Could React Quickly If Conflict in the Former Yugoslavia Spreads"]

[Text] Sources from the presidency told KONTINENT today that the Bulgarian Army can react quickly and is prepared for possible military actions if the conflict in the former Yugoslavia spreads. According to the sources, mobilization of the neighboring Greek and Turkish Armies would be completed in 48 hours, but our Army could act even more quickly.

According to specialists, formerly, when the Warsaw Pact was in existence, plans existed for surprise attacks, but now everything takes place in a planned way, with preparation of world public opinion and intensive intelligence-gathering. In contrast to the professional armies, some of the regiments in the Bulgarian Army are not up to strength. Only 30-40 men form the mobilization nucleus for a 1,100-strong formation. The remainder are taken from the reserves. For this reason, employees of the Defense Ministry claim that it is not certain that the Army can react quickly.

General Stefan Dimitrov, chief of the president's military office, has heard nothing of NATO making any official request for Bulgaria to provide an air corridor and bases. He pointed out that Dr. Zhelev cannot give permission on his own, and parliament must adopt a wise and sensible view.

A source from the Border Troops reported that no troops have been deployed along the western border and no preparations are being made. Presidential advisers comment that the situation in Bosnia is very unusual; the conflict has entirely developed on an ethnic basis and it will be very difficult to carry out a military attack. In their view, it is difficult for the soldier to understand who precisely his enemy is and against whom he is supposed to fight. In their opinion, "blue helmets" would have to form a blue nucleus of an attacking force.

Persons close to President Zhelev consider that following the nonacceptance of the Vance-Owen peace plan it is difficult to predict how the conflict will develop, but they categorically maintain that Bulgaria must preserve neutrality and not provide an air corridor. Observers of the processes in the former Yugoslavia ask with amazement why Bulgaria should get involved if Greece, a NATO state, is refusing to assist any possible military actions against Serbia. They fear that if the situation develops in such a way, neighboring states will have good reason to reproach us, and our relations with them will be endangered.

No Agreement Reached With World Bank

AU0405161593 Sofia BTA in English 1420 GMT 3 May 93

[Unattributed article: "World Bank Mission and Labour and Social Affairs Ministry Fail To Reach Agreement"]

[Text] Sofia, May 4 (BTA)—The World Bank mission is disappointed at the refusal of the Ministry of Labour and Social Affairs to continue working on the project for technical assistance in the social area, mission leader Louise Fox told a news conference today. The World Bank mission visited Bulgaria from April 21 to May 4 to continue discussions with the Ministry of Labour on the implementation of the technical assistance loan and to continue the preparation of a proposed Employment and Social Protection (ESP) Investment Project.

The technical assistance that was to be provided by the Harvard Institute was requested by the previous government headed by Filip Dimitrov. The project has been under preparation for nine months, technical assistance was requested and fully discussed with the previous leaders of the Ministry of Labour and Social Affairs, and now it turned out the talks had not been official, Ms. Fox said. Evgeni Matinchev, deputy prime minister and minister of labour, told a news conference yesterday the ministry would not commit itself to the project as it was not advantageous for Bulgaria. Matinchev also said Bulgarian experts might prepare unaided a "white paper" (analyses, principles and strategies) for drafting social legislation. Ms. Fox said the World Bank wanted foreign experts to help Bulgaria so that it might tap other countries' experience.

Asked by BTA to comment on the ministry's statement that the project had no financial advantages for Bulgaria, John Wilton, the World Bank resident representative in Sofia, said the bank accepted the ministry's views but did not share them. According to Mr. Wilton, similar projects are being implemented in most East European countries, which find them acceptable.

Under the proposed ESP project, World Bank financing of approximately 50 million dollars would be available for investment in programmes to: Provide training and employment services for the unemployed, create an equitable and financially sustainable social insurance system, implement social programmes for specific risk groups, and install a modern computerized system for the ministry and its agencies at regional and local level.

Ms. Fox said collaboration was excellent on an expert level. However, the mission's discussions with the ministry's management were not fruitful. The mission did not get a response to questions concerning future collaboration and the ministry's commitment to use bank resources. The mission invited the leaders of the Ministry of Labour and Social Affairs to discuss these issues with the World Bank's country management team during the forthcoming visit of the World Bank management to Bulgaria on May 20 and 21.

Ms. Fox voiced the concern of the bank management about the bad state of social insurance in this country. In her view, this impedes the economic reform.

Commercial Foreign Debt Sparks Controversy

AU0405161793 Sofia BTA in English 1230 GMT 4 May 93

[Text] Sofia, May 4 (BTA)—Bulgaria's foreign debt to commercial creditor banks has sparked a public controversy. Recent press publications show that Bulgarian politicians and bankers hold different views on the settlement of the debt. The commercial debt totals more than 10,000 million U.S. dollars. Most of it was incurred in the last years of Todor Zhivkov's regime. In March 1990 the socialist government of Andrey Lukanov suspended debt service payments. Since the end of last year, Bulgaria has resumed partial payments of current interest on its debt, while an agreement on its final settlement has yet to be reached.

Interviewed in April for the 168 CHASA weekly, the governor of the National Bank of Bulgaria Professor Todor Vulchev said that Bulgaria's initial request for an

85 percent reduction of the debt was unserious. In February 1991 Todor Vulchev fell out with the then government over the way the foreign debt negotiations were conducted and since then has not taken part in the talks with the London Club creditors. "I think that the banks should be talked with frankly and an agreement should be reached. We should try to implement this agreement as soon as possible, and if it turns out that we cannot implement it, then we will hold other negotiations," Prof. Vulchev told 168 CHASA. He was provoked to discuss the debt after the press, and above all the periodicals of the private 168 Hours Ltd. Press Group, which is close to First Private Bank, accused Prof. Vulchev and two MP's of the anti communist Union of Democratic Forces (SDS), Ivan Kostov and Ventseslav Dimitrov, of holding parallel talks on the foreign debt. Mr. Kostov was finance minister in two post-Zhivkov governments, and Mr. Dimitrov chairs the National Assembly Finance and Budgetary Committee. Prof. Vulchev denied taking part in any such parallel negotiations. Deputy Finance Minister Svetoslav Gavriyski, until recently chief Bulgarian debt negotiator, says he had no feeling or information of parallel debt talks which might face the Bulgarian delegation with additional complications.

In an interview which appeared in today's 168 CHASA, Finance Minister Stoyan Aleksandrov accused Prof. Vulchev of making statements which uphold the interests of foreign banks. "I have heard that thesis from emissaries of Austrian and German banks," Mr. Aleksandrov claims. He does not agree that Bulgaria has taken an excessively firm position at the negotiations with the London Club creditors.

"The debt delegation has never negotiated without a government mandate," says the National Bank's Executive Director Emil Khursev in today's 168 CHASA. He believes that if Bulgaria adopts unrealistic decisions, in five years time, having just found its feet, it will have to go bankrupt again. Finance Minister Aleksandrov told the weekly that the Bulgarian economy cannot operate just to service the foreign debt. "Even if we have an annual resource of 400 million dollars, we cannot spend it on the foreign debt, this is absurd," Stoyan Aleksandrov says. Back when he accepted the finance portfolio in Prof. Berov's cabinet, Mr. Aleksandrov said that in his debt settlement policy he would be guided by Bulgaria's capacity to reach an acceptable agreement. He told today's 168 CHASA that the banks-proposed debt deal could not fit into the Bulgarian balance of payments.

Recently, it was formally announced that Bulgaria was ready with its debt settlement proposal which would soon be submitted to the creditor banks. Today's KONTINENT says Bulgaria is willing to pay 150 million U.S. dollars to the London Club creditors annually, but experts say that the commercial banks demand 400 million dollars in debt service payments. 168 CHASA quotes Finance Minister Aleksandrov as asserting that the Bulgarian position has been coordinated in principle with the International Monetary Fund and with the World Bank. "It is reasonable to pay 150-200 million dollars a year by the year 2000—provided that the World Bank and the IMF heavily finance these operations. We count on getting 200-300 million dollars from these sources," Mr. Aleksandrov says.

Reacting to accusations of holding talks with foreign bank representatives outside the official Bulgarian debt negotiations, Mr. Ventseslav Dimitrov MP of the SDS claims that when he confers with foreign bankers, he sets forth the position of the Bulgarian Parliament.

Congestion Increases at Romanian Border

AU0305191493 Sofia BTA in English 1810 GMT 3 May 93

[Text] Sofia, May 3 (BTA)—The lines of heavy-duty trucks on both sides of the Danube bridge border checkpoint between Bulgaria and Romania are growing longer by the day. The line of trucks on Bulgarian territory was more than 10 km long today and twice longer in Giurgiu, where automobiles coming from Western and Central Europe waited for two days to cross into Bulgaria, the BTA correspondent in Ruse reported.

These facts confirm the predictions of an intensified motor traffic across the Danube following the tightening of sanctions against Serbia and Montenegro. According to the border control authorities, traffic across the city has increased 25 per cent from march. Last month the checkpoint recorded entries and exits of 18,930 motor vehicles and 286,575 passengers.

This afternoon the Ruse customs officers and passport controllers met in Giurgiu with their Romanian counterparts to discuss traffic problems and opportunities to increase the traffic capacity of the checkpoint. Despite the Bulgarian officials' proposals for better coordination of work in this strained situation, no decision was made. Officers of the Ruse checkpoint say the Romanians have received foreign aid and started building ten new lanes in the Giurgiu border area to handle the busy motor traffic. "There are no more opportunities at the regional level, and we expect that the government will come up at last with a radical decision about Danube bridge," the Ruse customs and immigration officers appeal.

On Romanian territory, local Gypsies frequently attacked and blackmailed people in the waiting automobiles, according to incoming drivers and passengers.

Outgoing trucks, mainly foreign ones, wait in a 7 km long line at the Vidin checkpoint (northwestern Bulgaria) to be ferried across the Danube, BTA's Vidin correspondent reports.

The Vidin checkpoint and the checkpoint at Calafat, Romania, on the other side of the river, have limited capacities. Working at full capacity, the Bulgarian and the Romanian ferries can carry some 700 automobiles in both directions per 24 hours, Vidin customs chief Slavcho Georgiev told BTA. In Calafat, Bulgarian and

Romanian customs officers today discussed the possibility to use the catamarans of the So Mat long-hauler in the ferrying operation.

The traffic intensity is much lower at the Vrushka Chuka and Bregovo border crossings with Serbia. During the last three days, a total of 3,180 Serbian citizens have crossed the border at the two checkpoints in either direction.

Emigration for Last Four Years Reported

AU0405151393 Sofia BTA in English 1152 GMT 4 May 93

[Text] Sofia, May 4 (BTA)—Over the last four years, 411,000 Bulgarians have left the country, according to the latest figures of the National Statistical Institute [NSI]. The number of emigrants was 211,000 in 1989, 88,000 in 1990, and 40,000 in 1991 (ethnic Turks accounted for 81 percent of the 1991 emigrants). The main reason for the high proportion of emigrating Turks was high unemployment and severe economic problems in mixed community areas.

Of the 65,000 Bulgarians who left the country last year, 94 percent stated "study" as the reason for their travel.

Bulgarians travel abroad mainly to seek employment, according to the latest NSI statistics.

The lack of a legal framework for migration in Eastern Europe will be discussed at an international workshop, opening today at the Panichishte resort (southwestern Bulgaria). Taking part are experts of the UN International Organization for Migration and representatives of several Bulgarian ministries concerned. Terms for the issue of work permits and the establishment of migration services will be discussed, along with foreign legislations and Bulgarian draft amendments to labour legislation intended to protect Bulgarian workers outside and inside the country and to regulate labour export.

Between 6,000 and 7,000 Bulgarian citizens are illegally residing in Poland, writes today's DUMA. They will soon be deported. Bulgarian Consul in Warsaw Valentin Panov says these are mainly Gypsies. Seventy percent of them arrived on a "tourist trip," holding faked tourist vouchers and quite often forged passports as well.

Stock-Breeding Data for Jan-Mar

AU0405162393 Sofia BTA in English 1510 GMT 4 May 93

[Ekaterina Kazasova report: "Stock-Breeding Stabilizes, According to Agriculture Ministry"]

[Text] Sofia, May 4 (BTA)—Bulgarian agriculture is starting to pick up, according to experts of the Agriculture Ministry. Data on stock-breeding in the January-March period give grounds for optimism. Things were brought under control and stabilization started in this period, to judge from figures about farm animals and animal products available, Kamen Beligerski, chief of the Stock-Breeding Department at the Ministry, told a press conference today.

Compared with the last quarter of 1992, the current number of animals is a sign of a certain stabilization, experts say. The reduction in the number of animals is smaller than in the last quarter of 1992. Some groups of animals have increased in number. For instance, sheep were reduced by 286,000 in October-December 1992, and increased by 4,300 in January-March 1993. As to pigs, the figures are 534,000 and 31,000, respectively. Milk and egg production stabilized. According to statistics, the decrease in the number of all farm animals is biggest in the Ruse region.

Slovene Prime Minister Arrives for Talks

LD0305212593 Prague CTK in English 2103 GMT 3 May 93

[Text] Prague May 3 (CTK)—Slovenian Premier Janez Drnovsek today arrived in Prague on an official visit to the Czech Republic at the invitation of his Czech counterpart Vaclav Klaus.

Drnovsek met with Czech President Vaclav Havel and Klaus tonight. His talks with Czech officials are expected Tuesday.

Drnovsek is also to meet Chairman of the Czech Chamber of Deputies (parliament) Milan Uhde.

An agreement on investment protection and a memorandum on free trade zone between the two countries are expected to be signed during the visit, the Czech Government Office told CTK.

Among those accompanying Drnovsek are Slovenian Finance Minister Mitja Gaspari and other government officials. Their talks will focus on economic and trade relations. Meetings with Czech and Slovak businessmen and with representatives of the Czech Industrial Union are also on the visit's agenda, a staffer in the Czech Government Office told CTK.

The visit will conclude Tuesday afternoon after which the Slovenian delegation will return to Ljubljana.

Memorandum Signed on Free Trade Zone

LD0405145693 Prague Radiozurnal Radio Network in Czech 1300 GMT 4 May 93

[Text] A memorandum on the liberalization of mutual trade contacts between the Czech Republic and Slovenia, which should become the first step to the conclusion of an agreement on a free trade zone, was signed by the prime ministers of the two countries, Vaclav Klaus and Janez Drnovsek, in Prague today.

According to the memorandum, the objective of the agreement on setting up a free trade zone is the gradual lifting of all barriers to industrial goods trading in the coming years.

Meets With Prime Minister Klaus

LD0405160893 Prague Radiozurnal Radio Network in Czech 1400 GMT 4 May 93

[Text] Jaroslav Skalicky reports from the news conference of the prime ministers of the Republic of Slovenia and the Czech Republic, Janez Drnovsek and Vaclav Klaus:

[Skalicky] The prime ministers praised the mutual relations between the two republics, and the current visit of the Slovene prime minister was described as a positive step in deepening close and friendly cooperation. One of its actual results, among other things, is the signing of a memorandum on liberalization of mutual trade. Its meaning is to speed up the conclusion of the agreement on the free trade zone so that it can be signed in September and come into effect on 1 January next year. From that date, one category of goods can be exchanged between the Czech Republic and Slovenia without customs duty. Customs duty on more sensitive produce the will be gradually reduced.

Another contribution toward expanding economic cooperation will be an agreement on the protection of investments which was signed by the finance ministers of the two countries today.

At the news conference the Slovene prime minister was also asked whether or not it is possible to solve the conflict in Bosnia-Herzegovina by military action from outside. Janez Drnovsek replied that the pressure carried out and prepared so far will suffice and it will not be necessary to solve the situation by force.

At the moment the Slovenian delegation is at a meeting with Czech businessmen which is being held in the building of the Association of Industry of the Czech Republic.

Klaus, Drnovsek Press Briefing

LD0405195193 Prague Stanice Praha Radio Network in Czech 1630 GMT 4 May 93

[Excerpts] [Reporter] [Passage omitted] The two-day visit by the Slovene prime minister has been evaluated by the two leaders [Drnovsek and Klaus] at a news conference.

[Begin recording] [Drnovsek in Slovene fading into Czech translation] We have established very good relations with the Czech Republic. We tend to meet at consultations following various international political initiatives. We hold bilateral consultations and share experiences on our integration into the international community, mainly regarding the EC. [end recording]

[Reporter] He went on to say that the memorandum on the liberalization of Czech-Slovene trade signed today is of great significance. Vaclav Klaus commented on the memorandum as follows:

[Begin Klaus recording] The memorandum expresses the will to sign an agreement on a free trade zone in the very near future. It gives detailed recommendations on what the agreement should entail. It sets out the basic terms of reference. This means the agreement will be in full force from 1 January 1994. The commodities will be divided into two groups. [passage omitted] [end recording]

[Reporter] One question at the news conference concerned the view of the Slovenian prime minister on whether the conflict in Bosnia-Herzegovina could be resolved by outside military intervention. Janez Drnovsek replied that in his view the intensified pressure from the international community and stricter sanctions are creating a situation in which the peace process could at least begin. Drnovsek went on to say that he hopes that the pressure will be enough and the use of military force will not be necessary. [passage omitted]

Foreign Ministry Protests Austrian Meat Ban

AU0405153893 Prague CTK in English 1602 GMT 30 Apr 93

[Text] Prague April 30 (CTK)—The Czech Foreign Ministry handed today a verbal note to the Austrian charge d'affaires in Prague, protesting against the ban imposed by Austria on meat and dairy products imports from the Czech Republic, the ministry's spokeswoman Lucie Pilipova told CTK today.

Unlike the similar European Community's (EC) ban, lifted on Wednesday [28 April] on condition of stricter veterinary regulations, the Austrian ban affects not only trade, but also tourism.

Czech tourists are not allowed to take food for their own consumption when travelling to Austria.

An official from the Austrian Veterinary Authority expects Austria to join the EC's stand on the meat and dairy products imports next week.

Defense Minister Wants Increase in Budget

LD0405161793 Prague CTK in English 1419 GMT 4 May 93

[Text] Prague, May 4 (CTK)—The Czech Army needs its 1993 budget increased to 33 billion crowns (1.1 billion USD), i.e. by 10 billion crowns (330 million USD), Czech Defence Minister Antonin Baudys confirmed at a press conference today.

Referring to the results of an economic study, Baudys said that if the Army did not get the required money, the combat preparedness of the ground forces would considerably diminish.

This is not to sound as blackmailing, it is just the plain truth, Baudys said.

The required money is not designated for rearmament, but as a minimum variant to preserve the Army, Baudys said.

Of course, there can be some cuts in spending, perhaps some five billion crowns (165 million USD), but surely not 10 billion crowns, Baudys noted.

A large part of the budget is allotted for ammunition and fuel, as the reserves are not sufficient for at least minimum training, Baudys said.

Our pilots fly three times less than is the European standard. This may influence the quality of their work...and it is risky for their lives, he said.

The combat preparedness of the ground and air forces and anti-aircraft defence may decrease with a substantial part of the military equipment becoming unoperational and unusable, Baudys added.

Klaus Outlines Privatization Problems

AU0405180493 Prague CESKY DENIK in Czech 30 Apr 93 p 3

[Article by Prime Minister Vaclav Klaus: "The Privatization Dilemma"]

[Text] Privatization—which is an essential component of our post-November tasks—can and must be appraised from many points of view, including the ethical point of view. The public is rightly insisting that privatization be conducted as cleanly as possible to ensure that no one is discriminated against and that no one becomes rich by illegal or unethical means.

Although I realize that it is impossible to see the forest because of the trees, I suggest—despite this—that we differentiate between individual details and the whole process. I cannot resist the analogy I have already used several times: If hundreds of thousands of cars travel along the freeway during a specific period of time and a few dozen of them crash, this may be unfortunate, but none of us would regard this as a total breakdown of the traffic system. No sensible person would demand that it be suspended, and—probably—no one would demand new traffic regulations immediately.

There are hundreds of thousands of companies in the United States of America with which, when all is said and done, America's economy and prosperity rises and falls. Undoubtedly, not all of them always act completely in harmony with the law or behave absolutely ethically, and maybe they commit fraud. Would anyone (apart from left-wing radicals and anarchists) think that the American economic, legal, and social system is intrinsically rotten and should be replaced with another one? Sensible people would demand that the traffic regulations be improved and would want the state to ensure they are observed more consistently and to see to it that anyone violating them is punished. This is exactly what our government and parliament have done, and are doing, in the case of privatization. They have drawn up privatization regulations and are making sure they are observed. However, no regulations are or will ever be perfect, and no one is capable of preventing all deliberate offenses or all unintentional "accidents."

Therefore, let us take a closer look at the nature of our privatization "procedure." I use the word procedure, and not concept, intentionally. This may involve three kinds of "accident." The first of these is deliberate fraud and deliberate violation of the privatization regulations, or—as the case may be—of certain other laws that may be committed by someone interested in state property, by the current management, or by a civil servant. All the analyses indicate that such cases are exceptional, that the privatization regulations are—in principle—well and precisely defined, and that basic supervision functions properly. The fact that the media (and I really do not want to criticize it, because the hunt for sensational reports is a natural trait of the media throughout the world) always proclaims such cases in huge headlines—while taking no interest in and not writing about the remaining 99 percent of cases—is something else. A new privatization scandal is a sensation, while clean cases are merely the everyday, and therefore boring, norm. We have to reconcile ourselves to this fact, but—nevertheless—we should make sure that one privatization scandal does not artificially create the impression that the whole privatization process is "dirty."

The second kind of "privatization accident" involves the mistakes or oversights of those supervising and implementing privatization. Mistakes must inevitably be made given the number of privatization projects that government officials have to consider and approve. We can try (and we are also doing this) to minimize the number of accidents of this kind, but no one can guarantee in advance that they will be completely eliminated. Such people (half angels, half geniuses) and such super-reliable regulations simply do not exist. I personally consider it rather a plus that—given such a large number of privatization projects and the need to observe such complex privatization regulations—this kind of privatization mistake occurs relatively rarely.

The third kind of "accident," which, in comparison with the first two, happens far more often, is not an accident in the proper sense of the word. What I am talking about is the fact that unsuccessful interested parties cast doubt not only on the privatization method, but also on its outcome and that they subsequently accuse the successful privatization project (and its creator) or government officials of fraud, corruption, scheming, and so on, although the issue really only involves an attempt to reverse the decision in their favor. Every accusation of this nature, unfortunately, arouses unpleasant suspicions and throws, if not dirt, then—at least—a shadow on privatization itself. Such criticism is very easy. The person making the decision must consider all the various—and, therefore, "incalculable"—aspects of all the competing privatization projects. It is impossible (and it would not be desirable) to completely eliminate the subjective element from the decisionmaking process.

This subjective element, however, is neither fraud nor a mistake. If a public competition is held to privatize an entity, the problem arises of how much importance to attach—for example—to the purchase price, to the promise of a rapid injection of development investments, to the short-term retention of the current number of employees. The issue here involves neither scheming nor wrongdoing, although many people—out of badly concealed self-interest, pure ignorance, or a cheap desire for sensations—create such an atmosphere. Therefore, instead of referring to a "privatization accident," I would rather, in these cases, refer to a "privatization squeeze" where each of the participants is convinced he is better and has priority. It is like two cars trying to drive down a narrow street. One driver thinks he has the right of way because he arrived first, while the other is convinced that he has the right of way because he is coming from the right. Neither driver is correct, and who is correct cannot be ascertained. If, by chance, there is a police officer in the vicinity, he will give the right of way to one of them. The other is dissatisfied, but he can only obey. However, in privatization this situation is not kept quiet, and the "police officer" is accused of making an erroneous decision.

If someone accuses the government of conducting privatization badly, he should offer an alternative. The only reliable way to avoid all the aforementioned privatization accidents is not to privatize at all. Since we have decided to conduct privatization, then we have no other choice but to choose between the alternative privatization regulations. If the opposition has presented alternative regulations that would make privatization clean, or at least cleaner, in the ethical sense of the word, then I know nothing about it. I do not expect this. To calm the situation, it would always be enough to say which privatization accident is involved.

Council of State Defense Approves New Army Structure

LD0405125393 Prague Radiozurnal Radio Network in Czech 1000 GMT 4 May 93

[Telephone dispatch by correspondent Jan Hrbkova from the news conference given by Defense Minister Antonin Baudys]

[Text] The Council of State Defense debated and recommends to the government the new concept of the building up of the Czech Army. According to Defense Minister Antonin Baudys, the objective of the semiprofessional army is to have 65,000 men in 1995 while retaining conscript service at 12 months.

The Army system will be based on brigades, including one rapid deployment brigade trained and armed in a way compatible with NATO.

There are 40,000 professionals in the Army at present. The planned decrease of their number, based on selection interviews, is 10,000 professional soldiers. According to Antonin Baudys this provides the last opportunity to intervene in the structure of Army leadership in a radical way.

In view of short term prospects for the next two years the Czech Army will only be maintained due to economic reasons. The impact on the economic sphere of our arms industry is thus obvious. According to Antonin Baudys, we do not avoid purchases from domestic producers provided these are comparable with goods from world production.

CSSD Signs Accord With Slovak Counterparts

LD0405124693 Prague CTK in English 1228 GMT 4 May 93

[Text] Prague, May 4 (CTK)—The chairmen of the Czech Social Democratic Party (CSSD) and the Social Democratic Party in Slovakia (SDSS), Milos Zeman and Jaroslav Volf respectively, signed a cooperation agreement on Monday. The two parties will work for Czech and Slovak political leaders to strengthen friendly relations between the two countries, and will strive for the two states' integration into European structures as soon as possible, their representatives told journalists today.

The opposition CSSD has 16 seats in the Czech 200-seat Chamber of Deputies of the Czech parliament. The SDSS is an extra-parliamentary party.

Zeman said that the super-zero variant of settling the issue of former federal property division between the Czech and Slovak Republics would mean that the former would shoulder the debt owed to it by Slovaks. This would depreciate currency and citizens' savings. But we are well aware of the state of Slovakia's economic situation. Therefore we propose that a long-term credit be granted to Slovakia, worth the amount it owes to the Czech National Bank (about 25 billion crowns, or 880 million USD—ed.). This would be partially covered by the unsold shares from the first wave of coupon privatisation which are still held by the national property fund of the Slovak Republic, Zeman said.

He called the super-zero variant an expression of the impotence of the Czech Government policy. The variant was suggested by Czech Premier Vaclav Klaus in mid-April when property division talks got stuck. The application of the variant would mean that the issue would no longer be raised for discussion and that neither side would ever raise any new claims.

Zeman resolutely demanded that the shares in Czech enterprises, acquired by Slovak investors in the first wave of coupon privatisation last year, be handed over to the investors. To make the share-holders hostages of the incapacity of the two governments is most irresponsible, Zeman said.

The decision to postpone the distribution of the shares was made by the Czech Government at the beginning of April in connection with the Slovaks' attitude to the property division talks.

Prague City Council Dismisses Mayor Kondr

AU0405154293 Prague CTK in English 1932 GMT 30 Apr 93

[Text] Prague April 30 (CTK)—The situation in the council of Prague's municipality is extremely serious following the dismissal of five of its members on Thursday [29 April], former Prague Mayor Milan Kondr told CTK today.

Kondr was removed by a secret ballot from his office at yesterday's session of Prague's municipality. Two deputy mayors and another two members of the Council leadership were dismissed along with him.

Kondr said that by May 27, when his dismissal would take effect, the Council may shrink to six members. As the minimum number, required by law, is ten, the Council would not be able to adopt resolutions and it would actually stop existing, he noted.

A simple majority (39 out of a total of 76 deputies) was necessary for Kondr's removal. 42 deputies from the 67 present voted against him. The removed councillors are still members of municipality.

The Council has been commissioned to prepare candidates to be elected to the Council.

Czech, Slovak Prime Ministers Interviewed

LD0105211193 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 1 May 93

[Excerpts] [Passage omitted] Several journalists were not satisfied with the answers that were given at the official news conference following the talks. Therefore, they asked both prime ministers for separate interviews. They approached Slovak Prime Minister Vladimir Meciar first.

[Begin recording] [Reporter, in Czech] Mr. Prime Minister, we are slightly puzzled after the news conference since it seems to us that we heard different tones, especially on matters concerning demands by the Slovak side. Do you think that the meeting served as a path to a solution? Was it conducive to moving things ahead?

[Meciar] Yes. Of course, we are opening the process. The material results will only emerge as a result of this process. Since the process is being interrupted it remains to be seen what its result will be.

[Reporter] Still, only for the sake of clarification. Will the negotiators, the Slovak delegation, come to the property talks with those controversial demands including know-how, the flag, etc.?

[Meciar] Their package will be relatively broad. They will arrive at the talks with everything, especially liabilities dating back to 1991 and 1992. In the Czechoslovak State Bank [Statna Banka Ceskoslovenska] there remain unresolved issues linked to devaluation, i.e. [word indistinct] of 1991. Several liabilities of 1992 are not settled yet, including foreign currency operations. Hence, all this has to be clarified and then we will obtain the figure for the difference in the balance. If this proves to favor Slovakia there is no reason why we should not acknowledge it.

[Reporter] As for the audit of the Czechoslovak State Bank, how much longer, in your opinion, will the Slovak side continue to audit that final account?

[Meciar] The account has not been audited yet. That is a misunderstanding, since only data for December and some partial data for the last three months were available. The year 1992 has not been audited at all.

[Reporter] How long could this last?

[Meciar] Approximately one month, at the most.

[Reporter] Mr. Prime Minister, I asked Prime Minister Klaus about investment coupon holders and the issue of shares. You did not speak on the matter. Could you share your opinion on this?

[Meciar] So far, it is the Czech side that is stopping investment coupon holders, be they Czech or Slovak citizens. I am of the opinion that these two issues are not linked. The shares must be issued to the investment coupon holders. Moreover, apart from investment coupon holders the investment privatization funds are involved in this. They have invested enormous amounts to launch their activity. By this political approach the interests of investment privatization funds are being grossly damaged. [passage omitted]

[Reporter] Mr. Prime Minister, [Czech Transport] Minister Strasky said yesterday that the Slovak side did not want to include the issue of investment coupon holders on the agenda of the talks. Why do you suddenly want to talk about them?

[Meciar] We cannot include the investment coupon holders issue in the talks since that is private property and we are not authorized to represent them. As for the investment coupon holders in Slovakia, there is nothing to talk about. We have issued to each and every Czech whatever he or she had in Slovakia. It is a nonsense to turn a citizen into a hostage of the state and [into a guarantor] of state's obligations. [passage omitted]

[Reporter] Mr. Prime Minister, you mentioned at the news conference that the date for the transfer of gold to Slovakia has not been fixed. Why then all the fuss about it on Slovak television, etc., the claims that the gold is not coming to Slovakia?

[Meciar] Because, instead of the original protocol and a signed pledge, another one arrived in which the Czech side requires compensation in dollars. We did not agree to this.

Next, the Czech side requires that we conclude all agreements with the bank. In spite of the fact that we pledged to do so the Czech side is not willing to transfer the gold until six months after these pledges have been made. That is unfair. [end recording]

[Studio announcer] Journalists addressed similar questions to Czech Prime Minister Vaclav Klaus.

[Begin recording] [Reporter] Following the news conference, the feeling has prevailed that your views on key issues have not come much closer.

[Klaus, in Czech] The substance is the opening of the path toward further talks, ending the stalemate in the property commissions' talks—a stalemate based on various excuses that this or that happened here or there and therefore there will be no talks on other things. [passage omitted]

It would of course be marvellous if the assessment carried out by the property commission between 7 April and today would be the final one. It would be of course marvellous but as I say, we are not speaking about 10 korunas and let us not make a drama of this.

Words keep emerging which naturally irritate and provoke the Czech side in a fundamental way—I mean villages, flags, and such things. Today yet another item has emerged which I prefer not to even mention. [passage omitted]

As far as I am concerned, the raising of any questions of this sort—the Slovak side has raised them, it would be a lie to say that it does not raise them—the raising of questions of this sort subsequently clearly forces me to move from what we call a standard solution to a non-standard solution.

The moment that a single one of these items is formulated and emerges, then there is nothing other than my super-zero variants, simply slamming door and saying that we simply do not intend to discuss this any longer. [sentence as heard] Nevertheless, this is the easiest thing to do, this is the easiest thing and it is unnecessary to be forced to do this by the mass media, am I right?

[Reporter] Mr. Prime Minister, what is the situation with the gold treasure? A little while ago, Mr. Meciar told us that as far as this issue is concerned the Czech side demands some sort of payments in dollars.

[Klaus, in Czech] I do not think this is exactly the situation. I would not even call it the gold treasure. It simply concerns the specifically defined gold about which we reached an agreement that Slovakia will buy for its book value in the accounts books of the former Czechoslovak State Bank. [passage omitted]

[Reporter] Mr. Prime Minister, what is decisive for keeping talks, in this phase, on the standard level, as you have just assessed it. What critical point would have to be reached to move these onto a different level?

[Klaus, in Czech] Look, my paper from today shows that out of nine unclear questions five have been solved. If the property commission had held a session yesterday, they would have ticked off these five points and it would have been initialled by the finance ministers. Thus it is necessary now to prepare path for tackling these four points. [passage omitted]

[Reporter] Is the Slovak side holding talks within the framework of a global agreement or would it welcome the removal of some disputed points, sign the global agreement, and tackle the disputed points only later?

[Klaus, in Czech] Of course, it is better for the Slovak side to hold talks on partial agreements and for the Czech side it is better to hold talks on agreements as one entity. This is our standard dispute, this is the standard conflict which exists here. [passage omitted] [end recording]

[Studio announcer] You have just heard highlights of the interviews with Prime Ministers Vladimir Meciar and Vaclav Klaus, following yesterday's talks in Brno, which they granted to journalists shortly before their departure.

Meciar Says Czech Prime Minister Trustworthy

LD0405175793 Prague CTK in English 1700 GMT 4 May 93

[Text] Vienna, May 4 (CTK)—Slovak Premier Vladimir Meciar told a press conference here today that Slovakia has hard currency reserves of 1.3 billion USD and that Bratislava has claims of 17.7 million USD against the Czech Republic.

Meciar said his country also has doubts about Prague's claims totalling 24.7 billion crowns (850 million USD) which ensue from the division of the Czechoslovak State Bank. We have requested a revision, because the Czech Republic has all the documents and property, Meciar noted.

He said Prague had reacted a bit too nervously by halting the transfer of shares in Czech enterprises to Slovak investors who acquired them during last year's first round of coupon privatisation. Meciar said Prague had also halted the transfer of 10 tonnes of gold to Slovakia, in addition to freezing payments for the transit of gas from Russia through Slovakia. This is why Slovakia has called for a meeting of the Czech and Slovak presidents, premiers, foreign and finance ministers, which will take place in two weeks, Meciar said.

Meciar once again accused Prague of violating an agreement on not using former federal symbols, such as the former Czechoslovak flag, now used by the Czech Republic. Meciar said Bratislava had asked for monetary compensation to cover this, in addition to compensation for the loss of federal know-how from former federal institutions which remained in Prague.

Meciar added that there remained a series of unresolved historical questions, such as the Czech Republic's gaining of part of the Tesin region in North Moravia from Poland, which was allegedly compensated by the loss of 26 Slovak villages after World War Two.

The Slovak premier stressed that Czech Premier Vaclav Klaus remains a trustworthy partner for him, as opposed to the Czech Cabinet.

On the topic of his declining popularity, Meciar said this was mainly due to his government's necessary but unpopular economic measures and to the loss of daily contact with citizens. The steps we are taking are like the steps of a surgeon, which causes the patient pain...yet this is the only method that will help this patient, Meciar said.

Meciar said Slovakia could not relinquish its reliance on nuclear power, though he expressed understanding for Austria's nuclear-free policy.

President Kovac Gives May Day Speech

AU0405150493 Prague CTK in English 2004 GMT 30 Apr 93

[Text] Bratislava April 30 (CTK)—Slovak citizens cannot be the object of experimenting. They have no other choice but to set out on the road of democracy and market economy, Slovak President Michal Kovac said on Slovak Television tonight, on the eve of May Day.

He added that the difficult economic situation was not a consequence of the change of the social system in 1989.

Kovac pointed out that Western countries have already proved the viability of their social and economic system. We know that not everything is good in the advanced countries, he said and recalled Winston Churchill's words about democracy being the best of all bad social systems.

Kovac said that the future of people did not rest only in the hands of the government, but of other structures as well, but he did not specify.

He called on people to be more active in both economic and social life in order to contribute to the prosperity of independent Slovakia.

Toth Interviewed on Federal Gold Assets

LD0405144393 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 4 May 93

[Excerpts] Members of the commission which is dividing the assets of the former Czech and Slovak Federative Republic are to hold discussions in Prague on Friday. It is known that there are several disputed issues on which the two sides are still unable to reach agreement. Among these is the gold treasure of the former federation. Our editor Milan Velecky has discussed this problem with Julius Toth, chairman of the Slovak section of the property commission and Slovak finance minister.

[Begin recording] [Velecky] Minister, during the talks on the division of former federal assets the problem of the division of gold has occurred again and again. The impression has been created that two sets of gold may be at issue: one beloning to the former Slovak state and the other is our share from the former federal gold. Has that gold been really split into two sections?

[Toth] Basically you are right. The gold has been split into two sections: gold amounting to roughly 7.7 tonnes and the remainder. The latter poses no problems since according to an agreement that gold should be divided in a 2:1 ratio. However, talks are still going on about the former section. I hope that these talks will be concluded successfully.

[Velecky] The 7.7 tonnes is the treasure of the former Slovak state. However, that figure is questioned by the Czech side.

[Toth] If it is questioned then we would not have two sets. The only question remaining is technical and financial implementation of these operations.

[Velecky] Which set of gold provides more realistic prospects of us acquiring it?

[Toth] The total figure amounts to 105 tonnes. If you take away 7.5 tonnes then 97.5 tonnes remain. That figure of 97.5 is divided by three, with one-third belonging unquestionably to the Slovak side. Discussions are being held about that remaining seven and a half tonnes and how it is going to be settled. So far these talks have been conducted on a decent level, coupled with, I am convinced, mutual efforts to reach an agreement. [passage omitted]

[Velecky] The commissions on the division of assets will be meeting this week. Will the problem of the former Slovak state's gold be opened? Are you willing to accept the proposal that the Slovak side should pay for it with dollars?

[Toth] This question will certainly be broached but it is difficult to say what kind of agreement will be reached since reaching an agreement is a process in which each side makes concessions from the proposals it made previously.

[Velecky]] Good, but is the payment for the gold in a convertible currency acceptable to us?

[Toth] The question of the gold was already subjected to an agreement at the levels of prime ministers, finance ministers, and bank governors three months ago. At that meeting the question of payment in a convertible currency was not discussed.

[Velecky] But after last Friday's meeting of the two prime ministers there was again talk about payments?

[Toth] But that did not come from the mouth of the Slovak prime minister who is still, I believe, Mr. Meciar. [end recording]

Meciar on Results of Visit to Austria

LD0405225193 Prague CTK in English 2234 GMT 4 May 93

[Text] Bratislava May 4 (CTK)—The majority of European countries say they will support Slovakia only after it creates a market environment, but Austria has expressed willingness to support it in building its market, Slovak Premier Vladimir Meciar told journalists on his return from a two-day visit to Austria.

He said he had been informed by Austrian officials of the reason why Slovakia's admission to the Council of Europe had been postponed until June. He said the postponement was related particularly to the fact that the list of Hungarian first names allowed in Slovakia was too short (84-ed), and to the demand that Hungarian names of towns be allowed on sign-posts. (Slovakia, with a population of about five million, has a 580,000-strong Hungarian minority -ed).

Before Slovakia's admission to the Council of Europe it is necessary to declare our willingness to solve these problems which can be done by the government or parliament, Meciar said.

He added that Austria and Slovakia agreed on improving the infrastructure between Bratislava and Vienna.

Designs for roads, railroads, oil and gas pipelines and a power supply network will immediately start to be worked out, Meciar said.

During his visit, Meciar was accompanied by Rudolf Filkus, former Czechoslovak deputy premier, who was being introduced as a candidate for Slovakia's ambassador to Austria.

Tuchyna Discusses Refugee Problem in Germany

AU0405151193 Prague CTK in English 1313 GMT 30 Apr 93

[Text] Bonn April 30 (CTK correspondent)—Germany is interested in strengthening Slovakia's southern and eastern borders to prevent an influx of refugees and to combat people smugglers, German Interior Minister Rudolf Seiters said at a meeting with his Slovak counterpart Jozef Tuchyna here today.

Seiters praised an agreement on handing over refugees which was recently concluded between Slovakia and Poland. He stressed, however, that Germany would welcome other similar agreements between Slovakia and neighboring countries.

Tuchyna said the German interior minister displayed interest in the establishment of a border between Slovakia and the Czech Republic. Tuchyna told CTK that Slovakia's position on this issue remains unchanged. Pointing to relevant Czech-Slovak agreements, he stressed that Slovakia insists on fulfilling the current mutual agreement on the border regime between Czechoslovakia's two successor states. He said that if any of the parties is not satisfied with the agreement new ones need to be negotiated.

The Slovak interior minister said the Germans have made clear their wish that a visa regime be introduced on the Czech-Slovak border to limit flow of refugees to Central European region. Given the current political and economic situation and the fact that the Hungarian border with Romania is open, Slovakia cannot introduce a visa regime alone, Tuchyna said. He added that the question of illegal migration is not a priority German-Slovak problem as Slovakia is only a transit state.

The two ministers signed a German-Slovak protocol to an agreement on the fight against organized crime concluded between Germany and the former Czechoslovakia last year. They also agreed on intensifying exchange of information in this field.

Friendship Treaty Initialed With Romania

AU0505061693 Bucharest Radio Romania Network in Romanian 1900 GMT 4 May 93

[Text] Today in Bratislava the foreign affairs ministers of Romania and Slovakia initialed the friendship and cooperation treaty between the two countries.

Being on an official visit in the Slovak Republic, Romanian Foreign Affairs Ministers Teodor Melescanu has held talks today with his Slovak counterpart, Jozef Moravcik, and was received by President Michal Kovac, and government head Vladimir Meciar.

The Slovak president invited Romania's president to officially visit Slovakia. Melescanu also conveyed the message of Romanian Premier Nicolae Vacaroiu to Slovak Premier Meciar inviting him to officially visit Romania.

Government Rejects Czech Business Agreement

LD0405165693 Prague CTK in English 1602 GMT 4 May 93

[Text] Bratislava, May 4 (CTK)—The Slovak Government today rejected a draft agreement between the Slovak and Czech Republics that would enable citizens of one of the two countries to be temporarily engaged in business activity on the territory of the other one.

Katarina Tothova, Slovak minister of justice, told Slovak Radio today that after being reworked the bill would be taken up by the Slovak cabinet at its next session May 11.

as of January 1, when Czechoslovakia was divided into the independent Czech and Slovak Republics, Czech and Slovak entrepreneurs and companies have been allowed to do business solely on the territory of their own state where they are registered in the trade register. They may do business on the territory of the other republic only if they are registered in that republic's trade register. Since courts are currently unable to decide about trade registration in a short time, the agreement was to solve the situation of people who have applied for the registration but have not yet obtained it.

Hungary Accused of Preparing Annexation

AU0405172693 Bratislava REPUBLIKA in Slovak 26 Apr 93 pp 8, 9

[Jozef Darmo article: "Threat to the State, Annexation of the South; Background of the Slovak-Hungarian 'Confrontation'"]

[Excerpts] There is perhaps no other state in Europe like Hungary, whose diplomacy has stopped being diplomacy and is becoming, vis-a-vis Hungary's neighbors, especially Slovakia, a policy at the limit of what is tolerable. [passage omitted] The entire atmosphere of Europe, and, I dare say, the world atmosphere, is being poisoned by Hungarian accusations against Slovakia, along with Romania and Vojvodina, nations that have contributed greatly to the socialization of the Hungarian nation and its Europeanization. [passage omitted]

I believe that it is high time for Slovakia to behave as a sovereign state, rather than as "Felvidek" (Upper Country, Hungarian name for pre-1918 Slovakia). It is high time for Slovakia to define its stand on minority policy from the position of the interests of the Slovak Republic. The Slovak Government and parliament must take the matter of Slovak statehood, the Slovak lebensraum [slovensky zivotny priestor], and territorial integrity into their own hands. [passage omitted]

Elimination of Borders

Hungary's present offensive is based on a document published in UJ MAGYARORSZAG (17 June 1991) under the headline "Sociological Strategy To Preserve the Original Homeland of the Hungarian Nation in the Carpathian Basin (New Theses)."

In the document's 15 points we learn: The demand for the individual rights of members of minorities must be changed into the demand for minorities' collective rights. Emphasis must be placed on the fact that the Hungarian minority is the original population on what is now the territory of Central European states. According to the document, only such a strategy can be effective for Hungarians in Transylvania, Felvidek (Slovakia), Ruthenia, and Vojvodina. This strategy must be implemented at the level of the county, the district, and the village. Another principle is the enforcement of the terms "Hungarian nation" [Madarstvo] and "national minority." Within the framework of the struggle for Hungarians' collective rights, houses of culture and consulates are to be established in Komarno, rather than Bratislava; Beregovo, rather than Uzhgorod; Subotnica, rather than Novi Sad; and the large cities of Transylvania, rather than Bucharest. The neighboring mother country, Hungary, should enforce the elimination of borders in interstate agreements and, on the European scale, it should enforce minority rights and autonomy for minorities. In the event of "extraordinary circumstances" in the neighboring states, Hungary as the mother country could temporarily take over from the minorities' own political organizations (at the explicit wish of their bodies) the representation of minority interests in international organizations, or it could represent these interests jointly with them. [passage omitted]

Preparation for Annexation

Hungary has not yet become Europeanized [neeuropanizovalo sa]. It is still dominated by the ideology of Great Hungary. This ideology was at the heart of the policies and the geopolitical doctrines of feudal Hungary, communist Hungary (1919), fascist Hungary, Rakosi's Hungary, and it is also the program of Hungary in the European wrapping. This is, and will remain, Hungary's objective. [passage omitted]

I hope that we now have a better understanding of the Hungarian Government's endeavor to keep playing the card of the Hungarian ethnic minority and that we also better understand its pressure for autonomy to be granted to the Hungarian minorities in Slovakia, Romania, and Serbia along with the background of its endeavor to paste together the Carpathian region, which is intended to establish legal conditions for the economic annexation of the territories of Hungary's neighbors. It is for this, if for no other reason, that the alarmed voice of two memorandums of Slovaks from the Slovak south ought to wake us up. The fourth congress of the Coexistence movement, held in Komarno on 27 February 1993, should make us finally come to our senses. Statements were to be heard there, at which not even Konrad Henlein [leader of the Sudeten German Party in Czechoslovakia in the 1930's, which sought the Sudetenland's annexation to Germany] would have to blush. [Coexistence Chairman] Miklos Duray formulated there the strategy that is to be pursued by Hungarians in the Slovak south in the immediate future: "Our immediate goal is political and economic self-administration and general autonomy. Only cohesion and the historical links with our mother country guarantee the attainment of this goal. We must declare ourselves a nation and must no longer be referred to by that offending term, minority." If we add to this the call, voiced at the congress by Laszlo Boldis, for the restoration by force of Hungarian names on the "staked out area" that is to become the Hungarians' autonomous territory in the Slovak south, we gain the impression of living on another planet. All this was said in the presence of a large delegation from Hungary, in the presence of representatives of the U.S., Russian, Austrian, and Hungarian embassies in Slovakia. [passage omitted] It is self-evident that the fourth congress of Coexistence in Komarno was no idle indulgence in reveries. It was a political act undertaken on sovereign Slovak territory in preparation for territorial annexation.

When Will We Start Acting?

And what are we doing? We even let go unheeded the subsequent talks conducted by leaders of Hungarian parties represented in the National Council of the Slovak Republic [NRSR] in Budapest, talks that concerned the political situation in Central Europe, the standing of the Hungarian nation, and, self-evidently, also Hungarian autonomy on Slovak territory.

The Hungarian Christian Democratic Movement [MKDH] demands the establishment of districts with Hungarian population. These irridentist demands are even assuming a specific shape. Which "Hungarian" districts are involved? Within the bracket, we note the number of Slovak inhabitants of the districts in question, followed by the number of Hungarians: Dunajska Streda (12,338/95,194), Komarno (28,232/78,929), Galanta (79,596/61,135), Lucenec (70,784/22,792), Roznava (59,298/22,416), Kosice-Environs (76,664/16,299), Rimavska Sobota (49,339/46,000), Trebisov (67,845/46,748), Velky Krtis (31,472/14,447), Nove Zamky (87,008/63,930), Levice (80,235/38,155). The MKDH even proposes that Hungarian districts be established "around Nitra" and around Senec, Sturovo, Moldava, Kralovsky Chlmec, and Velke Kapustany.

In this context it is necessary to make clear that the state will not permit such parcelling out of Slovakia, not only for reasons of territorial integrity but also for reasons of ethnic composition. The parliament and government must act. Minority rights are not at issue here. What is at issue is subversion [rozvrat] because the dismemberment of the Slovak economic space and, subsequently, the dismemberment of Slovak state sovereignty are at stake. Viewed from this angle, Gabcikovo is, first and foremost, a problem of neutralizing Slovak sovereignty and statehood. [sentence as published] That is also the goal of passing on this problem to the International Court of Justice in The Hague.

We Must Not Back Down

Hungary realizes that it cannot change the borders by force, as it says. It does not, however, rule out their change by other means. That is why, in European policy, it must nourish by all conceivable means the Hungarian minority's state of endangerment and mobilize anti-assimilation reactions on the part of Hungarian minorities on the territories of neighboring states. It must expand its space by means of their aggression and make this space ethnically clean. [passage omitted]

In assessing all these developments, the Slovak Government and the Slovak parliament have only one option—to use the entire weight of sovereignty and international activities to prevent Hungarians from deciding, and Budapest from exerting its power influence in the Slovak south. It is, above all, the sovereign will of the Slovak nation must assert itself here. This is Slovak territory, and no cultured and civilized nation that forms the state will permit such interference in its own affairs. This means that a uniform Slovak system of education must be in effect in the Slovak south, one allowing for alternatives in ethnically mixed areas. Nevertheless, the system must be uniformly Slovak, with uniform civic studies and in harmony with the needs of Slovakia regarding the training of citizens for the practical economic, cultural, and civic life. Permitting dualism in the school system paves the way for cultural terror and the assimilation of Slovaks living in the area.

Yes, Slovakia is and will continue to be interested in the Central European region being a region of peace. However, it will not become a region of peace through Slovaks being forced to back down. The Slovak state does not avail itself yet of the requisite instruments of power for such a policy. So far we have only materialized our will to have a state of our own. Today we must work on its strengthening—both in terms of domestic policy and against our neighbors.

Right-Wing Parties Discuss Merger

AU0505153193 Bratislava PRAVDA in Slovak 3 May 93 p 2

[TA SR report: "The Democratic Bloc: A Merger at the End of May"]

[Text] Democratic Party [DS] representatives have come to the conclusion that it is essential, and to Slovakia's benefit, for the republic's right-wing parties to merge. DS Chairman Anton Duris made this statement in Bratislava yesterday at a Democratic Bloc (Democratic Party, Democrats '92 Movement, Movement For Czech-Slovak Understanding, and Green Party) news briefing. This was also confirmed by Democrats '92 Representative Eva Kovacova, who said that the two entities—the DS and the Democrats '92—will probably merge at the end of May. The Democrats '92 are also pointedly distancing themselves from the ultra left-wing and ultra right-wing forces in the Czech Republic, which would now like to abuse the idea of Czech-Slovak mutuality. Kovacova said that the Democrats '92 intend to work very hard in the future to make sure the Slovak and Czech nations and ethnic minorities do not become alienated. The Movement for Czech-Slovak Understanding and the Green Party, a former federal organization currently registered in the Slovak Republic, also welcome the integration process among the democratic forces in Slovakia. Anton Duris informed reporters of his talks with Hungarian Civic Party [MOS] Chairman Laszlo Nagy. The MOS Republic Council will discuss and confirm on 22 May the MOS's participation in the Democratic Bloc.

Jeszenszky, EC Envoy Discuss Integration

LD0405162693 Budapest MTI in English 1508 GMT 4 May 93

[Text] Budapest, May 4 (MTI)—European Community Commission Member in Charge of External Relations Hans van den Broek arrived in Hungary on Tuesday after talks in the Slovak capital.

In Broek's Tuesday morning discussion with his host Foreign Minister Geza Jeszenszky, foreign affairs spokesman Janos Herman told reporters at noon on Tuesday that the talks focused on three topics: Hungary's EC integration, trade liberalization, and developing political dialogue.

Jeszenszky said Budapest hoped EC officials would help Hungary's admission and try for earliest possible ratification by the twelve of the EC-Hungary Association Agreement.

Prime Minister Jozsef Antall will meet Broek later this afternoon.

Antall Holds Meeting With Envoy

LD0405175393 Budapest MTI in English 1646 GMT 4 May 93

[Text] Budapest, May 4 (MTI)—Hungary is committed to closer ties with the European Community, Hungarian Prime Minister Jozsef Antall said during his meeting today with Hans van den Broek, who is in charge of external affairs in the EC Commission.

It was crucial for Hungary that the agreement be ratified by EC member states as soon as possible, Antall said.

The Hungarian prime minister confirmed that, in the period of its associate membership, Hungary would spare no effort to adjust its political, legal, and economic institutions to the EC standards. The country, though, needs EC assistance in its ongoing development - he mentioned as a good example Hungary's cooperation with the EC in the efforts to settle the Yugoslav crisis.

Van den Broek stressed that a European Commission priority was implementing the association agreement and liberalizing trade, encouraging national parliaments to ratify the agreement soon, laying the ground for the EC summit to take place in June.

Jeszenszky Confirms No Territorial Claims

AU0405140793 Budapest MTI in English 1621 GMT 2 May 93

[Text] Budapest, 2 May (MTI)—Hungary openly declares what is implied by the Helsinki principles: that it has no territorial claims neither towards the Ukraine, nor towards any other neighbour, said Hungarian Foreign Minister Geza Jeszenszky on Sunday [2 May] after a Hungarian-Ukrainian summit that took place on Friday. [30 April] Jeszenszky spoke on Hungarian Radio in a magazine titled "VILAGORA" (International Hour).

In Hungarian-Ukrainian ties, the issue of minorities is an important element, he said, citing a bilateral agreement signed on December 6, 1991. Under the agreement, the sides envisaged guaranteeing minorities the right to have a say in public affairs, including issues related to protecting their identity and to decisions affecting their place of residence.

The Ukraine has already started to implement these principles, which is a very significant step since Ukraine is the only country in the region that has laid down guidelines for guaranteeing wide-ranging rights to the Hungarian minority, Jeszenszky said.

It can be clearly seen that radical improvement has started in the Ukraine's handling of minority issues, he added.

"In light of this, it would be reassuring and necessary to ratify the (bilateral) friendship treaty," he said.

Since from a security policy aspect, the Ukraine is very important to Hungary, Jeszenszky said, the Hungarian Parliament may ratify the bilateral basic treaty without reservations.

Jeszenszky recalled a statement by the chairman of the Sub-Carpathian Hungarians' Cultural Federation Sandor Fodo, also present at the meeting of Hungarian Prime Minister Jozsef Antall and Ukrainian President Leonid Kravchuk in Uzhgorod on april 30. Fodo said ethnic Hungarians in the Sub-Carpathian region request the Hungarian Parliament to ratify the treaty as soon as possible, because it is important for ethnic Hungarians as a sign of good ties between the two countries.

Szabo Comments on Possible IMF Loans

LD0505101793 Budapest Kossuth Radio Network in Hungarian 0445 GMT 5 May 93

[Excerpts] [Announcer] An agreement in principle has been concluded in the Washington headquarters of the IMF about further standby loans intended for Hungary. Miklos Martin Kovacs has asked Ivan Szabo, Minister of Finance, the Hungarian government representative at the talks. [passage omitted]

[Begin recording] [Kovacs] Which main figures and concepts did the IMF agree upon?

[Szabo] The agreement's fundamental message is that through the reform of the banking system the reduction of loan interest rates must be achieved and all obstructions to the revitalization of the economy must be removed. In any case, the main idea is economic growth. All our steps must be examined in this light, and those expenditures which represent welfare, and social and local government subsidies must be curbed. Concerning these latter subsidies, it was raised especially sharply that they considered unacceptable an increased state role when at the same time local governments do not collect possible local taxes. [passage omitted]

I did not move 1.1 percent from what I consider as deliverable. I believe that we have to reach agreement not by saying something they expect us to say and then finding it necessary to apologize half a year later.

This was when there was a significant breakthrough. They sensed where our bottom line was; the situation was very critical. I can say that much that the majority of the management did not support the agreement. This agreement was the personal decision of Mr. Massimo Russo [IMF head of the Europe Department] and Richard D. Erb [IMF deputy managing director] in opposition to the majority of management. [end recording]

Ministry Confirms No Grain Shortage

LD0305130693 Budapest Kossuth Radio Network in Hungarian 1200 GMT 3 May 93

[Text] There is no grain shortage in Hungary, the Ministry of Agriculture has confirmed. An official with special portfolio also said that several domestic firms have asked permission to export grain. This means that enterpreneurs would like to export 50,000 tons of edible wheat and 16,500 tons of flour. However, the general secretary of the Grain Association regards flour exports as the only possibility. Gyorgy Makai pointed out that the surplus of so-called technological bread-flour is difficult to sell at home, which is why it is worth exporting it.

Embargo on EC Meat, Milk Imports Lifted

LD0405170093 Budapest MTI in English 1633 GMT 4 May 93

[Text] Budapest, May 4 (MTI)—From May 5, the Hungarian Government has lifted the embargo on livestock, meat, and milk products from the European Community member states and Austria, entering or passing through Hungary, the government spokesman's office announced today.

At the same time, the government introduced strict veterinary measures on livestock, meat, and milk imported from these states.

Taking effect on April 9, the embargo was aimed at preventing the spread of foot-and-mouth disease to Hungary.

With the recent measure, the Hungarian Government made another step towards normalizing the international trade of the products concerned, limiting restrictions to those justified by veterinary reasons, the office said.

Hungary, Romania To Facilitate Border Traffic

AU0305110693 Budapest MTI in English 1444 GMT 29 Apr 93

[Text] Budapest, 29 Apr (MTI)—Waiting times at border crossings will be cut by a mutual border-guard and customs agreement Hungary and Romania concluded in Biharkeresztes today.

Border controls will be simplified on both sides and, if necessary, pedestrian traffic will be temporarily suspended.

A new checking system will be introduced at Nagylak, Gyula, and Csengersima allowing a minimum of eight trucks to cross in each direction per hour. The agreement provides for the passage of not less than 100 trucks an hour through Artand-Bors.

Border posts will notify each other of traffic increases, with newspapers advising passengers on alternative crossing routes.

A border station at Mehkerek-Salonta will open this year, and the Artand-Bors crossing will be reconstructed on Romania's side.

The protocol containing the cooperation terms was signed by Customs and Excise Office National Commander Brigadier General Mihaly Arnold and National Border Guard Commander Brigadier General Balazs Novaky for Hungary, and by Deputy Finance Ministry State Secretary Mihai Panzariu, head of Romania's chief Custom Directorate, and Colonel Joarza Samoila, Interior Ministry Passport and Border Police general director, for Romania.

Germany To Supply Parts From Former GDR

LD0405121993 Budapest MTI in English 1043 GMT 4 May 93

[Text] Budapest, May 4 (MTI)—Chairman of the German parliament's (Bundestag's) Defence Committee Fritz Wittmann met Hungary's Military Industry Office President Jeno Laszlo on Tuesday.

Wittmann arrived in Hungary for a two-day official visit on Monday.

Laszlo told Wittmann of the work of the Military Industry Office and said the primary goal was to set up a proper defence system for Hungary, which would have to be created using mainly domestic resources.

Wittmann said deliveries to Hungary of spare parts and equipment from stocks of the former East German Army may start soon. Germany seeked [as received] to reduce military production and the country had strict regulations on military exports, Wittmann said.

Meeting Hungarian Defence Minister Lajos Fur, Wittmann underlined Hungary's key role in east-central European stability.

Defence Ministry Spokesman Col. Lajos Erdelyi told MTI that Wittmann appreciated Hungary's moderate policy on the south Slav crisis.

Fur called on international organizations to take more responsibility in settling the south Slav crisis and thanked Bundestag MPs for facilitating deliveries of spare parts from the former East German Army.

Tax Revenues on Target in First Months of 1993

AU0405135593 Budapest MTI in English 1705 GMT 29 Apr 93

[Text] Budapest, 29 Apr (MTI)—The tax revenues of the central budget in the first four months were basically those targeted in the budget law, Gyorgy Minarik, president of APEH, the Hungarian Tax Office, told to press on Thursday [29 April].

Of the projected annual personal income tax revenue of HUF 189.5 billion, slightly more was paid than the four-month target figure. VAT and consumption tax payments, however, fell slightly short of the four-month share of the annual targets of HUF 259 billion for VAT and HUF 170 billion for consumption tax. The amount of corporate tax paid was in line with the annual target of HUF 54 billion.

The total state revenue from taxation last year was HUF 823 billion. Revenue last year from corporate tax was HUF 64 billion, HUF 21 billion short of the target figure. Consumption tax revenue was HUF 156 billon, HUF 28 billion less than the projected figure. Net VAT revenue—following the payment of refunds—amounted to HUF 54 billion, which was a massive 106 billion short of the target, Minarik said.

Trade Union Movement Gaining Ground

AU0405155093 Budapest MTI in English 1734 GMT 1 May 93

[Text] Budapest, 1 May (MTI)—Although this year it is a Saturday, May 1st is still a paid holiday in Hungary. Celebrations and rallies all over the country signalled that the Hungarian trade union movement has got over the worst and the unions have considerable influence on employees.

The trade union movement ended its debates over legitimacy on december 15, 1992. Trade union assets, valued at HUF 4.2 billion, or about USD 50 million, before 1989 owned by a single trade union federation, the National Council of Hungarian Trade Unions (SZOT), was agreed to be divided into seven parts. Parallel to this, the unions took a joint stand in the interest coordination council and agreed with employers and government representatives on major welfare issues.

This was followed by an amendment to the law in February 1993, under which two elections, whose results will clarify the power relations between the trade union confederations, must be held at the same time, on May 21. Active workers are to elect the members of the workshop councils, or employee councils in public institutions, and citizens with suffrage will elect the membership of the social insurance local council.

Both health insurance and pension insurance are to have their own local administrations who will have a say in the utilisation of a total HUF 600 billion in assets. The election results are essential for all trade union confederations, as they will determine their influence as partners of employers, parties and the government.

In January 1993, there were 4.5 million active workers, 663,000 registered unemployed, and 2.7 million pensioners in Hungary, of who at least 2.5 million, possibly 3 million, are members of some trade union. Almost every second active worker is a member of a trade union.

The largest among the trade union confederations is the National Federation of Hungarian Trade Unions, which is about the same size as all other trade union groups put together. Even according to estimates by rival trade unions, it has over a million members. It plays an almost exclusive role in production sphere and rallies the majority of workers in infrastructural branches.

The second largest group is the Cooperation Forum of Trade Unions, whose some 500,000 members are health care workers, teachers, civil servants and artists.

The membership of the National Coordination of Autonomous Trade Unions and the Democratic League of Independent Trade Unions are more than 150,000 each. The former mainly consists of chemical industry workers and employees, catering industry and road transport employees, while the latter was set up by white-collar workers at the end of the party-state era, but has since expanded its influence on transport and industry, and some of the state farms.

Two smaller groups are also national confederations: The Workers' Councils and the Trade Union Rally of Professionals.

Internal Affairs Minister on Recent Events

WS0305083093 Warsaw TVP Television First Program Network in Polish 1335 GMT 25 Apr 93

[Interview with Minister of Internal Affairs Andrzej Milczanowski by a group of unidentified journalists on the program "100 Questions to..."; place and date not given—live]

[Excerpts] [Passage omitted] [Reporter] No one knows why in 1989 the Sejm suspended Articles 134 and 135 of the criminal code, which pertained to the so-called economic and customs duty crime. I think that this process went on, and the economic crime division within the police department was liquidated. We do not know what the purpose of this was. I know that it has been reestablished, but probably it employs different people because those people went away and got new jobs in newly established companies. Who is trying to resolve the problem of economic scandals now? What people are doing the job now that the experts have gone away?

[Milczanowski] Yes, indeed, in 1989 and 1990, the criminal regulations were, generally speaking, liberalized. The people and the parliament decided that the criminal code regulations were too repressive. I also think that in many cases those regulations were rather repressive. Therefore, the regulations were liberalized. Let me, however, express my own conviction here. I think that this was overdone a little bit, to say the least. Therefore, this process of liberalization also affected the area which, as life has shown, should have been left as it was. Especially in the situation of political and economic transformations, creating a free market, and the opening of borders.

[Reporter] Do you not think that this step greatly contributed to the growth of economic crime...

[Milczanowski, interrupting] Probably it was one of the reasons for that. One of the reasons, I want to stress it, because there are many more reasons. Indeed, those divisions that dealt with economic offenses, often referred to as PG's, were liquidated from police departments. Then followed some period of experimenting within the police structures; we remember that K-17. [not further identified] Some time ago, a couple of months ago, we again welcomed the concept of creating separate divisions that would deal with fighting economic crime in police stations. It seems to have been a good decision.

[Reporter] Now, let us perhaps get back to the disclosing of secrets. Last year you unfortunately got involved, in a way, in the so-called Pecki case. There was a special conference that was devoted to the preparations for an alleged, as it seems today, coup d'etat. Not long ago a Sejm committee dismissed these suspicions. Also, the military prosecutor's office stopped investigating this case; it said that there was no evidence that this coup d'etat had really been planned. Now, did you go too far in this, or will you reveal any more details concerning that case?

[Milczanowski] I suggest that we stick to the facts. These are as follows: In none of my statements did I use the term coup d'etat. I am sure of this. I did speak, however, about the circumstances that justify the suspicion concerning the introduction of a state of emergency. This is the phrase I used. As far as I know, and I am sure you also know that, the prosecutor discontinued the proceedings concerning the attempt of a coup d'etat, and at the same time he added that there was a number of elements which indicated that a state of emergency had been introduced.

[Reporter] I suppose that the minister of internal affairs could answer the question why the state was introduced.

[Milczanowski] Well, the minister of internal affairs can explain situations, circumstances, or events that are within the realm of his powers. He should not, however, express his opinions where a competent organ, such as a prosecutor or a court of law, makes a decision. Apart from this, I personally believe that the minister of internal affairs should receive information rather than share it with the public, especially when it concerns state secrets which he is particularly obliged to protect by law.

[Reporter] I understand this. However, now that you have come here, we would like to find out as much as possible. Talking about coup d'etats, public opinion was recently upset by an alleged or real attempt on the president's life. Some called it a joke. Was it a joke, or really... [pauses] What can you tell about it?

[Milczanowski] You probably know that I have not spoken about this case. However, I do not want to evade the question. I would not attach great importance to the information about the attempt of preparations, a general attempt of general plans. I can say that this was in the stage of some discussion among a small group of people. However, as you know, there is a long way from talk to intentions; it is even farther to concrete preparations; it is extremely far from concrete activities.

[Reporter] Why, then, did you become interested in that group? Does that mean that if the three of us here start talking about the possibility of killing the president, in a week's time it turns out that there is an investigation going on in this case? Why did you think that group was suspicious? Also, there was a statement by a high official of the Office of State Protection who said that there had been attempt to kill the president. I am referring to Professor Konieczny, the head of the Office of State Protection. Where does this discrepancy come from, then?

[Milczanowski] As far as I know, you have not presented this statement very accurately. Mr. Konieczny did not talk about an attempt on the president's life, but about preparations for such an attempt. The difference between the two is essential. Nonetheless, please do not look at this as an act of evading the answer on my part. However, the case is still being investigated, and for these reasons, I cannot reveal any further details.

[passage omitted] [Reporter] When he was in the Gdansk Shipyards, the president stated that when he got the National Guard, he would put an end to scandals, bribes, and mafias. Others say that this will become an instrument of autocratic power. What is your opinion about this? Who should the guard be subordinated to? To you, to the Ministry of National Defense, or to the president?

[Milczanowski] Here, my stance has been clear for several months now. In June 1992, I spoke about this problem in public; I said that I thought that giving so much power to the minister of internal affairs was not a good idea. I added that my intention was to hand over the Vistula Military Units to someone else. I had concrete proposals. I suggested that the units be under the Ministry of National Defense. However, the ministry did not give a positive answer. They said that certain limits, or a quota, did not allow them to take over the units. I still believe that the Vistula Military Units should not be under the Ministry of Internal Affairs.

[Reporter] So no one wants them, except the president. Is that correct?

[Milczanowski] I would not say that no one wants them. The Ministry of National Defense, due to formal obstacles, is not capable of taking the units. The president did not say he did not want them. I must say one thing quite openly: I think there would be nothing wrong if the units were handed over to the president.

[Reporter] How will you explain the fact that you support the idea of establishing the National Guard, whereas your deputy, Minister Zabinski, says that the guard is not necessary because the budget does not have the money for that. Is this another difference of opinions?

[Milczanowski] No, it is not. I know this statement by Minister Zabinski. You have said too much here. If you like, even today I can... [pauses] Because I have this statement in writing in my drawer. I can show it to you today. It was not said as you have presented it. Minister Zabinski said that in the current situation he saw difficulties in transforming the Vistula Military Units into the National Guard.

[Reporter] In the past, Poland used to be a very mysterious country. Even railway station toilets had inscriptions which prohibited taking pictures. Professor Strzembosz, the first judge of the Supreme Court, complained in public that many proceedings against people suspected of committing crimes on Polish patriots could not be completed. The reason for this is that the documents concerning these cases are still kept secret, even though 40 or 50 years have passed. The documents are protected, among others, by you personally. You protect the secrets very carefully. I would like to ask you: What is the purpose of protecting those documents, which go back to the 1940's?

[Milczanowski] Well, I have a different opinion concerning what various civil servants, and not only civil servants, do with the state secrets. Maybe it will be an exaggeration if I say that in this country a lot, if not all, is for sale. A lot is for sale. Of course, do not take this literally. I believe that a state or military secret is not insured—even to the smallest degree. We can see it every day in mass media. Also, I must deny that I withhold documents—including those with the Secret or Secret Specially Important sign—from police, prosecutors, and courts. Many documents, in many cases, I... [pauses] ...again, if you are interested, I invite you to come to the ministry on Tuesday. I can give you a list of cases in which many documents have been handed over to the police.

[Reporter] Minister, you say that in this country almost everything is for sale now. On the other hand, you and the government propose a new law on the protection of state secrets, where the secret comprises such things as the revenues of banks, energy suppliers, and other things that are accessible all over the world. Will this not be conducive to corruption?

[Reporter] I would like to add something important to this. The duty of keeping the secret lies also on those who receive such information. This is ridiculous, because I, as a journalist, will be punished because some civil servant gives me information that is a state secret.

[Milczanowski] No, this is a misunderstanding. The civil servant would be punished for giving you, as an unauthorized person....

[Reporter] However, if I publish it, then I will also...

[Milczanowski, interrupting] Of course. The law says clearly that anyone who is aware that he has come into possession of a state secret, if the secret is revealed, is liable to a punishment.

[Reporter] Minister, there have been cases, for example the famous story of the Pentagon Papers in the United States, where newspapers published secret documents of the state. The state turned to the Supreme Court and lost the case, because newspapers are entitled to publish such documents. The Ministry of Internal Affairs would not even know about the case of Bogatin if it were not for journalists.

[Milczanowski] Oh, that is an exaggeration.

[Reporter] Now, the case of the 0015 secret instruction. All the journalists [words indistinct] must suffer the consequences of the fact that they described the case, that Mr. Kaczynski revealed excerpts from this secret instruction at a press conference. Is it fair that journalist suffer the consequences....

[Milczanowski, interrupting] What consequences are you talking about? Please, be more specific.

[Reporter] Well, journalists who wrote about it are told to come as....

[Milczanowski, interrupting] They are told to come as what? As witnesses. Right? Now, is being a witness a criminal liability?

[Reporter] No, it is not.

[Milczanowski] So what are we talking about here?

[Reporter] However, being a witness entails giving testimony, which can compromise the source of information. We do not reveal our sources, just as you do not reveal yours.

[Milczanowski] There is a difference here. I know that I will not gain popularity with you, but I must say there is a big difference in the protection of a state secret by the minister of internal affairs, offices subordinated to it, and functionaries of those offices; and the situation of a journalist who, being aware of the fact that there is a law that prohibits revealing such a secret, discloses this secret for professional reasons, or rather, quasi-professional reasons: just to become more popular, or to make a splash.

[Reporter] Why are there so many things that are supposed to be kept secret?

[Milczanowski] I deny that the number of matters protected by the state secret is so large. I want to say that now the list of such matters is many times smaller than it was in the case in the previous law.

[Reporter] Jaroslaw Kaczynski revealed the instructions in the Sejm, and not somewhere on the street. So the case is in the open, and the prosecutor has the right to ask about it. I would like to ask, however, whether the functionary of the Office of State Protection who took it out of the office, has been punished for disclosing a state secret.

[Milczanowski] I can only say that the case is being thoroughly investigated.

[Reporter] If someone discloses a state secret that is contrary to the interests of the people, is this punishable?

[Milczanowski] Now I would like to ask you: Who is going to judge whether or not it is contrary to the public interest, or the interest of the people? Is it a journalist?

[Reporter] However, if disclosing a state secret is criminal, does this mean it undermines the interest of the state?

[Milczanowski] Who is going to judge this? Can you give me a concrete example?

[Reporter] Which matters are labeled with this noble name of a state secret? Perhaps this name should be confined only to matters that are really public. However, one can often get the impression that this label protects the private sins of various persons, whose only relation with the state is that they are deputies, for instance. This is for example the case of former collaborators of the Security Service.

[Milczanowski] You want to talk about this? O.K. I would like you to take the following factors into consideration. I do not conceal the fact that I have serious doubts as to revealing the names of former Security Service collaborators, or simply as to the problem of file checking. Now, for what reasons? We must realize one thing. I know that from 50 to 60 percent of the operative files concerning agents have been destroyed. This is one thing. Second, it is known that for many years, before 1989, operative officers of the Security Service and Militia were evaluated primarily on the basis of the number of newly acquired sources of information—that is, new agents. Many times this resulted in false records. Third, I will use two examples. First example: The Security Service takes a person from the street and, by means of all kind of pressure, blackmail, compromising material which were often fabricated, by means of this stick-and-carrot policy the officer succeeds and the person signs a collaboration contract. Then he goes home and after reconsidering it, after a talk with the family, or other close persons, comes to the conclusion that he will not collaborate. He tells it to the officer at the first meeting. Please, judge this case. Would you like to be the judge? Would you say that the person was a secret collaborator? So the formal criteria are often not sufficient here. Another example: A young man, who is not experienced, who does not estimate the situations in life, who is drawn by the vision of cooperating with the intelligence or counter- intelligence, agrees to collaborate. Then, after a few months, he comes to the conclusion that he is not doing what James Bond did, but it boils down to squealing on his friends. After a year or two, he says a definite no. The files are going to the archives. Then the man, for 10, 20, or 30 years, is an honest man, has nothing to do with the Security Service; moreover, he goes to the other side, he lives under repression because of that. Would you like to be the judge in such a situation?

[Reporter] Should we then let everyone go unpunished? You gave two examples. One can also give other examples—of completely cynical people who sold friends and colleagues for money. Now, if we take into account all those difficult cases, does that mean that we must say that nothing happened, that no one was a swine, that everything is okay?

[Milczanowski] I think this is not how the problem should be understood. I say this for the sake of the country's interest, for the sake of well known reasons of state, due to the fact that the problem of file-checking is becoming a means of manipulation in political life; due to the fact that the implementation of file-checking would have to lead to divisions and conflicts among people who live in the same street or work in the same company. I think that for social and moral reason the implementation of a file-checking program is dubious.

[Reporter] You said that 50 or 60 percent of the files of the former Security Service had been destroyed. You also said that 100 percent of the files of the former Security Service in Gdansk had been destroyed.

[Milczanowski] No, that is a misunderstanding.

[Reporter] The papers carried information that the functionaries of the Office of State Protection had found the personal files of President Walesa, Mr. Borusewicz, and other persons. They found them in the apartment of one of the suspects in the radioactive materials scandal. There was also information that you had familiarized yourself with those documents as soon as you received them. Did you read them? What value do they have?

[Milczanowski] I deny that the files found there were personal. There were certain documents marked secret. This fact precludes the possibility of giving any further details.

[Reporter reads questions from viewers] The first question concerns the murder of the Jaroszewiczs. Have there been any new developments? Another comes from fire brigades, which threaten that they will no longer put out fires because they lack the equipment. You wanted to have fire brigades under your ministry, so now you have them.

[Milczanowski] Let me begin with the second question. It did not matter whether I wanted it or not, because at that time I was not minister yet. I think that the person who talks about a lack of equipment in fire brigades is not really knowledgeable. Concrete measures have already been taken here, and fire brigades already have the equipment. There are definite plans through which firefighters will have more and better equipment. As far as the case of the murder of the Jaroszewiczs is concerned, I must say that unfortunately no appreciable progress in the investigation has been made. However, it is not true that we have stopped investigating the case. The investigation is still going on in the prosecutor's office and in police.

[Reporter] One more thing. We have been talking about file-checking for quite a long time now, and we are judging the secret collaborators that worked a few years ago. Does that mean that today you do not cooperate with secret services, that they exist no more; that is, there are no squealers, secret agents. What does it look like today?

[Milczanowski] I must deny this. Also today, both police and the Office of State Protection have personal information sources. I cannot imagine a police service, or a secret service, that could abandon these sources.

[Reporter] The Sejm has adopted the bill on pensions for the military. It rejected the bill that concerned services that are subordinated to you. Some functionaries think that this is a kind of discrimination. What is your stance on this matter?

[Milczanowski] I want to say that only a week after the Sejm had passed the bill on military pensions to the committees, a group of 30 deputies prepared a similar bill concerning disabilities and old-age pensions for policemen. I would also like to add that this is an extremely important issue. It is one of the elements of stability in the policeman's profession. In order to be able to say that this profession is stable, we must see to it that the most fundamental pension problems are solved. I have not changed my opinion on that for several months, and I am not going to change it. I am going to do my best to ensure that policemen's pensions are not worse than those of the military.

[Reporter] The government, of which you are a member, has promulgated a bill in which one regulation is terrible: that is, the old regulation comes back into force, in which a policeman can be dismissed for the good of the service. To top it all, he does not have the right to appeal to the Chief Administrative Court of Law. How are you, as a human rights defender, going to swallow it?

[Milczanowski] Well, there is only one way I can swallow it; namely, I can only say that I am a member of the government and therefore, I have certain duties. If this is the stand of the government, then it is also my stand.

[Reporter] Your ministry prepared the bill on the protection of state and service secrets. The Sejm has passed it. The bill is rather controversial, and this has manifested itself also in our discussion today. The bill includes the following statement: Journalists should protect the political interests of the state. I have asked the spokesman for human rights, as well as other persons about it. However, no one was able to tell me the definition of the political interests of the state. Since I feel that, as a journalist, I should know it, I would like an explanation of the term.

[Milczanowski] I deny that any member of the government has made a statement that journalists should ensure the political interests of the state. There has not been such a statement. I have heard about this from you.

[Reporter] While we were discussing the 0015 Instruction, someone brought up the subject of the control of the parliament over the secret services. The Sejm Committee of Administration and Internal Affairs has a few ideas concerning this. I think that they are very specific, and they would restrict the activities of these services to a large extent. What is your opinion on this, and what should the control of the parliament over these services be like?

[Milczanowski] For some time now, both Minister Konieczny, head of the Office of State Protection, and I have been of the opinion that parliamentary control over the services is indeed necessary. It should be exercised by a special parliamentary committee. Here our stance is convergent with the opinion of the members of the Committee of Administration and Internal Affairs.

[Reporter] However, please be more specific. The new proposals say that the committee can appoint and dismiss the head of the Office of State Protection and many other things....

[Milczanowski, interrupting] Well, as far as this proposal is concerned, I would oppose it. I do not think that the head of special services should be appointed and dismissed by a parliamentary committee. I think it need not even grant permission for the appointment of the head of special services.

[Reporter] What would the committee control, then?

[Milczanowski] Many things. For example the budget, personnel policy, activity directions. Of course, only up to a certain level.

[Reporter] Are you afraid that everything the committee knows will automatically be known elsewhere, if you take into account all the experience with parliamentarians and parliamentary committees?

[Milczanowski does not acknowledge question]

[Journalist] The Investigation Committee, which looks into the reasons for embezzlement and corruption in parliament, is ready to submit its report. It has traced the mechanisms of economic scandals in our country. It also examines the postulates according to which it is necessary to consolidate the positions of police in our country. The bill of the government is also headed in this direction. However, no specific data has been given. When will the bill find its way to the Sejm?

[Milczanowski] I would like to say a few things here. First, we have proposed many changes to the laws on police, as well as others. The Council of Ministers has accepted the bills. The rest is up to the parliament. Do not tell me to make statements on behalf of a legislative organ.

[Reporter] Do you support the idea that police services should be able to exerise the right of preemptive action? Will you not change your opinion, even if you take into consideration the whole rifle affair and the way the U.S. customs services have employed provocations?

[Milczanowski] No, I will not. That is, first of all I would like to protest using the term police provocation. There is a term for that, and it is "special agent," and my suggestion is that we use this term. I also hear accusations that institutions such as a a special agent or star witness are alien to the Polish legal culture. Now, I would like to ask you a question: Many years ago, was Polish law familiar with such problems as narcotics production and trafficking, illegal arms trade, or illegal trade in radioactive materials? New conditions require new methods, and also new legal solutions. Besides, you know perfectly well that these institutions are functioning very well in many western democracies. [passage omitted] The Ministry of Internal Affairs, as well as the offices that are subordinated to it, are not political. I am not a member of any party, and I am glad of that. Functionaries of police, border troops, Office of State Protection, cannot be members of political parties, as you know. So I think that the fears concerning the ministry being political are unfounded. [passage omitted] As far as the problem of crime among the police is concerned, I would like to say that in every large group of people there are pathological phenomena. The police are no exception; as you probably know, it has more than its share of people. This is a large group, you must admit. [passage omitted]

Walesa Speaks at National Day Ceremony

LD0305125193 Warsaw PAP in English 1152 GMT 3 May 93

[Text] Warsaw, May 3—The Polish nation can renew itself only if it alone decides on its fate, President Lech Walesa said at a ceremony commemorating Poland's national day in Warsaw on Monday.

Speaking at a wreath-laying ceremony at the Tomb of the Unknown Soldier in Warsaw's Pilsudski Square, President Walesa said that Poland now required a period of work, thought and action.

"When the time of struggle is over, a time of construction follows it. We are now living in a time for construction. Before us is a mass of tasks. We will more easily surmount them if we focus on what binds us together, and not on what divides us," he said.

He drew attention to the example of the framers of the constitution of May 3, 1791, and called for understanding of the most important issues facing Poland: support for Polish reforms through wise and far-sighted compromise.

"In building, we must work together, on it depends the fate of the structure of the state, and the prosperity of Poland and all Poles," the president said.

Monday's national day celebrations commemorate the anniversary of the proclamation of a constitution on May 3, 1791 by the parliament of the day. It was the first constitution in modern European history, and the second in the world, after the United States constitution adopted in March 1789.

May 3 was proclaimed Poland's national day after the recovery of independence in 1918, but the tradition was discontinued by Poland's post-war communist rulers. After the fall of communism in 1989, May 3 was reinstated as Polands national day.

Skubiszewski, Albania's Serreqi Comment on Talks

LD0405221593 Warsaw PAP in English 2150 GMT 4 May 93

[Text] Warsaw, May 4—Polish Foreign Minister Krzysztof Skubiszewski and visiting Albanian Foreign

Minister Alfred Serreqi signed an agreement on cooperation in culture and science at the end of plenary talks held in Warsaw on Tuesday.

Summing up the talks Minister Skubiszewski said that mutual economic relations deserve more attention.

He added that both countries need to develop cooperation between mass media representatives to improve the state of information about Poland in Albania and about Albania in Poland.

Director of the Foreign Ministry press and information department Wladyslaw Klaczynski told newsmen that Poland declared its help not only on issues related to political and economic changes but also in contacts with European organizations.

He added that Poland offered aid in training of diplomats and granting of scholarships for young Albanian diplomats.

The Albanian guest said his country attached great importance to bilateral relations and in particular to the possibility of using Polish experiences in political and economic changes.

Asked about Albanian stance on Kosovo and the conflict in the former Yugoslavia, Minister Serreqi said "Albania is a neutral state and it does not intend to intervene in Kosovo."

He added that he is afraid that this conflict may directly threaten Kosovo, unless decisive actions are undertaken by the United Nations. The manpower of peace-keeping in there should be increased and diplomatic efforts multiplied, he suggested, adding that U.N. sanctions imposed on new Yugoslavia are painfully affecting Albanian residents of Kosovo.

Asylum-Seekers Agreement Concluded With Germany

LD0405104193 Hamburg DPA in German 0840 GMT 5 May 93

[Text] Warsaw (DPA)—Bonn and Warsaw have concluded an agreement on the consequences of the new German asylum laws. It is to be signed in Bonn on 7 May by Interior Ministers Rudolf Seiters and Andrzej Milczanowski. This was confirmed today to DPA by the spokesman for the Polish Interior Ministry, Piotr Szczypinski. Deputy Polish Interior Minister Jerzy Zimowski and State Secretary Johannes Voecking from the Bonn Interior Ministry negotiated the final details in Warsaw yesterday.

Well-informed circles reported that the main points of the agreement are "on cooperation with regard to the effects of migration movements." At the same time, the two interior ministers plan to agree in an exchange of letters how the repatriation of illegal immigrants will be dealt with in the first few months after the agreement comes into force.

According to this information, regular protocols are also planned, in which German help will be outlined in detail. This will deal with the creation of an infrastructure for asylum seekers in Poland, the tightening of controls at the Polish border, as well as law and order. Precise figures on German financial aid were not given by either the Polish or the German side. Polish newspapers, citing German sources, reported a figure between 60 and 150 million German marks. Voecking returned to Bonn today.

Polish Peasant Party Will Not Enter Coalition

LD0405211993 Warsaw PAP in English 2106 GMT 4 May 93

[Text] Krakow, May 4—The Polish Peasant Party (PSL) will not enter the present government coalition as a replacement of the Peasant Agreement (PL), PSL leader Waldemar Pawlak told a news conference in Krakow on Tuesday.

According to him "there is too little room for his party in the coalition," but he declined to answer the question who would have to make room for it.

The PL left the ruling coalition on April 28 after the government had failed to meet its demands concerning agricultural policy. Their withdrawal was followed by speculations about possible joining the coalition by another farmers' party.

Pawlak also told reporters that his party comes in favour of earlier general elections in spring next year which are to be held together with the local government elections.

Naturally, the PSL is interested in power exercising but not at all costs, Pawlak asserted and added the party with a century-long tradition, cannot participate in "dubious undertakings."

When asked what he thinks of the proposal of the Confederation for Independent Poland (KPN) to form a new coalition comprising all parties represented in parliament except post-communists, the PSL leader said that the present government is still operating and that one should be realistic.

Government May Raise Minimum Grain Prices

LD0405191093 Warsaw PAP in English 1830 GMT 4 May 93

[Text] Warsaw, May 4—The government may approve higher minimum prices for grain if the coalition preserves its hitherto composition, Deputy Prime Minister Henryk Goryszewski hinted Tuesday following a meeting of the cabinet.

The Government Economic Committee (KERM) proposed last Friday to set minimum prices at the level of 2.3 million zlotys (about 140 USD) [U.S. dollars] per tonne of wheat and 1.6 million zlotys per tonne of rye. The proposed prices are close to those demanded by the

Peasant Agreement (PL) which resolved to quit the ruling coalition when their demands had not been met.

On Tuesday, Deputy Prime Minister Goryszewski presented KERM's proposals to the cabinet meeting, warning however, that a decision to accept higher minimum procurement prices may be risky and may lead to the growth of food prices.

"Such a decision would be politically justified if it were taken by the coalition in its hitherto shape," Goryszewski said stressing that none of the cabinet ministers has objected to the proposal.

Goryszewski explained the cabinet ministers wanted 24 hours to adopt a final decision on the issue. If they agree to higher minimum prices the prime minister will sign an ordinance introducing them.

Teachers, Health Workers Protest Policy

WS0505094593 Warsaw TVP Television Second Program Network in Polish 0600 GMT 5 May 93

[From the "Panorama" newscast]

[Text] Nearly 1 million Solidarity members employed in health care, education, science, and culture today began an indefinite protest action against the government's policy. The strike action in health care will take on various forms, depending on the region. It will vary from rallies alongside patients to the rotational closing of health care centers and hospitals. The date of the education strike was deliberately set on the day a week before the start of final term examinations, so that the pressure on the government would be greater. Trade union activists hope that the controversy will have been resolved by 12 May. In seven voivodships, teachers began a protest action yesterday. They did not, however, put forward any local demands.

Forty Enterprises Still on Strike in Walbrzych

LD0505093693 Warsaw Third Program Radio Network in Polish 0800 GMT 5 May 93

[Text] A general strike in Walbrzych Voivodship continues. The protest action which has been organized by the regional Solidarity Lower Silesia has been joined by 40 enterprises. The trade unionists are protesting against the government's failure to fulfil last year's agreements concerning the restructuring of this region. Deputy Minister of Industry and Trade Eugeniusz Morawski, who has been appointed the new head of the interministry team for the restructuring of the region, has proposed that a meeting be held this coming Friday. The Walbrzych [?Solidarity] has agreed to this, stressing however that the deputy minister should have powers enabling him to resolve the dispute.

Government 'Hails' Vance-Owen Peace Plan

AU0405161993 Bucharest ROMPRES in English 1537 GMT 4 May 93

[Text] Bucharest ROMPRES, 4/5/1993—Romania's Government hails the signing in Athens of the Vance-Owen plan by the representatives of Bosnian Serbs and opines that it can open the way for a political solution of the violent crisis in Bosnia and Herzegovina.

The Romanian Government expresses hope that the Parliament of the Bosnian Serbs will approve this plan on May 5, which would make it possible for effective steps to be taken for a peaceful solution of the conflict with a large contribution by the international community.

Romania's Government says that the approval of the plan by the representatives of Bosnian Serbs is "a successful action of the realistic and responsible circles in this country, that have opted for a peaceful solution of the conflict." The leaders of Yugoslavia have also made efforts in his direction.

The Romanian Government thinks it necessary for the period to come that the provisions of the plan of the UN Security Council be put to work in good faith.

In the opinion of the Romanian Government the leaders of all the communities in Bosnia and Herzegovina have great responsibilities in this direction, which they should assume unhesitatingly, in the interest of the population they represent, of peace and quiet to be re-established in the space of former Yugoslavia. Such an approach, the only possible to reach peace, would considerably reduce the danger of the conflict to be spread, which could gravely affect the whole zone. The communique specifies that the application of the peace plan would create conditions for the relaxation of the sanctions and restrictions imposed to Yugoslavia by the UN Security Council, which would be salutary not only for this country, but also for its neighbours, Romania included, whose economies have been deeply affected by the observance of sanctions.

Congratulating the Government of Greece for preparing and hosting the meeting in Athens, the Romanian Government underscores in its communique that this meeting has proved once again that neighbour countries can play an important role in the efforts of international communities in search of a political solution to the crisis in former Yugoslavia, for stability and peace in this part of Europe.

CNSLR, Others Postpone Strike

AU0405123193 Bucharest Radio Romania Network in Romanian 1105 GMT 4 May 93

[Text] The leader of the National Confederation of Free Trade Unions of Romania [CNSLR], Victor Ciorbea, has announced a 48-hour postponement of the strike planned by the CNSLR on 5 May. This announcement was made at the joint news conference of trade union leaders who have been having talks with government representatives in the past few days.

According to Ciorbea, the strike was postponed in order to continue talks on the wage fund and eliminate certain errors in yesterday's protocol following talks with the government.

Ciorbea asked the government to be flexible in this 48-hour period, in which, as he said, there would be time to do some recalculation in order to avoid strikes.

In turn, the leader of Fratia Confederation, Miron Mitrea said that part of its affiliated trade unions will go on strike tomorrow, 5 May, while another part will go on strike on 6 May.

The leader of the Alfa Cartel Confederation, Bogdan Hossu, also announced a 48-hour postponement of the strike, which will begin—should no normal protocol be concluded—in the early morning of 7 May. Hossu said that the Radio Communications Federation will also go on strike.

As the leader of the CERES Confederation, Adrian Cojocaru, said, this organization's Steering Committee met this morning and decided to postpone the strike by 48 hours.

The National Trade Union Bloc [BNS] will begin protest actions tomorrow, 5 May, according to BNS leader, Matei Bratianu.

Familia Union March Concludes; Protocol Signed

AU0405202493 Bucharest Radio Romania Network in Romanian 1700 GMT 4 May 93

[Text] The protest march and rally staged in Bucharest by the Familia trade union confederation concluded today at 1915 [1615 GMT]. The protesters stopped at the headquarters of the government, senate, and presidency, where their delegates held negotiations with representatives of mentioned institutions.

After leaving Cotroceni Palace [presidential headquarters], Dan Cristescu, the leader of the Familia trade union confederation, told the participants in the rally that as a result of negotiations a protocol had been signed on the basis of which the claims of the employees working in the hydroelectric energy branch will be resolved.

Bucharest Underground Employees Begin Strike

AU0305085693 Bucharest Radio Romania Network in Romanian 0400 GMT 3 May 93

[Text] The employees of the Bucharest underground went on strike today at 0400 [0100 GMT]. According to the leader of the underground employees' free trade union association, the labor conflict was caused by the fact that during their negotiations with the administration board of the Metrorex public corporation—which were mediated by the leadership of the Transportation Ministry—only three of the union's 15 demands have been met and even in the case of those three demands they were offered just deadlines and not concrete steps. As a consequence, the union decided to carry out the decision of its 30 March extraordinary congress and the decision adopted on 27 April by its general council stipulating the beginning of a strike as of today, between 0400 and 1600 [0100 and 1300 GMT], which will be repeated each day until their demands are met. Between 1600 and 2400 [1300 and 2100 GMT] underground traffic will run normally.

In an interview granted to one of our reporters, Paul Teodoru, the minister of transportation, examined in detail the requests of the underground employees free trade union association, demonstrating that the general strike lacks genuine grounds. According to Teodoru's conclusion, quote, they want this strike, regardless of what the administration may do, and therefore a final decision in this issue may be taken by our legal bodies, only. We consider the strike illegal, unquote.

According to a statement made last night to our reporters by Aurel Novac, state secretary of the Ministry of Transportation, the leadership of that ministry has displayed readiness to engage in a dialogue, as its representatives have been waiting over the whole night for union representatives to show up as they wanted to mediate new talks seeking a negotiated solution, thus avoiding the strike so that Bucharesters traveling by underground today would not have to endure any inconvenience. A fax we received today at dawn points out that they waited until 0400 [0100 GMT] for the union leaders to come to the underground company, but then it became clear that further mediation and negotiations had become impossible as the whole union leadership and its delegation members were actually busy preparing today's strike. The fax reasserts the ministry's readiness to continue to mediate in further negotiations. A fax we received from the underground employees' free trade union association also mentions that they are ready to resume negotiations. The fax, which is signed by Ioan Radoi, says that considering the appeals to resume talks they accept to immediately resume the dialogue at the union headquarters situated at the Unirii Square underground station.

We would like to mention the fact that state secretary Aurel Novac told our reporter that talks would probably resume this morning. Similarly, in the interviews granted to our reporters, both Transportation Minister Paul Teodoru and union leader Ioan Radoi said they were ready to engage in a new dialogue.

Government Blames Opposition for 'Opportunism'

AU0405201493 Bucharest Radio Romania Network in Romanian 1900 GMT 4 May 93

[Text] The Romanian Government sent us by fax the text of the following statement:

The Romanian Government took note with surprise of the declaration-appeal released last night by the leaders of certain parliamentary political parties—the National Salvation Front [FSN], the National Peasant Christian Democratic Party [PNTCD], the Democratic Union of Hungarians in Romania [UDMR], the Civic Alliance Party [PAC], the Social Democratic Party of Romania [PSDR], and the Romanian Ecologist Party [PER]—at a time when discussions with the trade unions were still in progress at the government headquarters and despite the results achieved, results that were made public in the protocol concluded between the sides that participated in the dialogue.

The opposition parties have spoken out in favor of the economic reform, and in the tense atmosphere created by the prospect of the start of the general strike on 5 May, the majority of their political leaders unanimously told the mass media that such an action is inopportune and might have serious consequences. Therefore, their change of mind, as revealed by the aforementioned declaration-appeal, is all the more surprising and particularly dangerous. The brusque transition from a declared constructive position to a antagonistic one is proof of the opportunism of these opposition leaders and of their attempt to make political capital out of social tensions, as they intimated the imminent character of the strike, following the statements made by the trade union leaders after the conclusion of the totally open dialogue held at the Victoria Palace, despite the solutions that have been agreed upon.

The accusations of rigidity, manipulation, and insincerity brought against the government in its dialogue with the trade unions are unsubstantiated, given the result of the discussions and the fact that the dialogue was conducted openly before the whole nation, through its live relay on the radio and the presence of a large number of journalists at the negotiations.

In the declaration-appeal of the opposition party leaders, the government is accused of stagnating the reform and failing to ensure adequate social protection. On the contrary, all the measures taken and the discussions held in view of the scheduled subsidy cuts were aimed at finding the most appropriate formula for such a purpose, within the limit of real possibilities offered by the existing financial resources to ensure social protection, particularly of the weakest strata of the population. Likewise, according to statistics released, the production increase achieved in the first three months of the current year clearly indicated that the Romanian economy has concrete chances of recovery, which will be wasted if a general strike is launched.

The government has often stated that the subsidy cuts represent the most difficult moment of the year; nevertheless, it is an absolutely necessary moment for the continuation of the transition process. At the same time, the postponement of this measure would make our country's access to international markets and foreign financing sources more difficult. It is obvious that a general strike will have serious and severe repercussions on the economy. It will be a particularly costly shock for the entire country's population, will divert Romania from the road of economic recovery, will prolong the transition period, and will implicitly increase the public costs of the transition. Likewise, it is also bound to negatively affect the climate of economic stability, which has been positively assessed of late at the international level.

The fact that certain opposition parties welcome the latest statements of the trade union leaders—according to which, despite all efforts and the results obtained in the wake of the negotiations held, the strike will take place nevertheless—means that these political groups are welcoming the disastrous effects of such a strike.

In spite of all this, the government is still open to dialogue and mediation up to the last minute before the start of the strike and considers that—if this action, with its obvious political nature, still takes place—the entire responsibility devolves on those who initiated, organized, and supported the general strike. Convinced of the fact that Romania's population is aware of the serious consequences and effects of a general strike—both on the economy and on the positive reputation Romania has begun to enjoy in the international community, following the progress made along the road of reform and democratization—the government expresses the conviction that the wisdom and discernment of Romania's citizens will facilitate the overcoming of this extremely serious moment for the country.

We presented the Romanian Government's statement, which was released today.

Melescanu Comments Before Leaving for Slovakia

AU0405082793 Bucharest ROMPRES in English 0712 GMT 4 May 93

[Text] Bucharest, ROMPRES 4/5/1993—Before leaving for Slovakia, Teodor Melescanu, minister of state and Romania's foreign minister, made the following statement to the press:

"I consider the visit to Bratislava as extremely important for the development of political relations between Romania and Slovakia. This action is also meant to prepare a top level meeting during which a Romanian-Slovak treaty of friendship will be signed. By its provisions, the treaty will be a true model, especially for the way in which the issue is approached, at an European standards, related to the statute of the minorities and of the issue regarding the observance of state frontiers. I will initial together with my counterpart, Jozef Moravcik, this important bilateral document.

"Romania and Slovakia, as Central European countries, sharing the same historical traditions and present concerns, have much in common and a close position as regards most of the bilateral and European issues. I would say that, by extending the notion of good neighbourliness, Slovakia is neighbouring Romania, both countries bringing their contribution to becoming an example of a real 'European behaviour' in interstate relations.

"I would like also to stress the fact that Romania is one state which preserved traditionally extremely fine relations with Czechoslovakia, acting once with the process of separation, towards a transfer of these relations to the two newly created states. I am convinced that the process will act both ways.

"On the occasion of interviews with the Slovakian president, Michal Kovac, and the president of the government, Vladimir Meciar, I will express the political will of our country to develop extremely close relations with Slovakia, both countries bringing their contribution to the strengthening of stability in the area and in Europe in general."

Iliescu Hopes for Cooperation With U.S.

AU0505074393 Bucharest DIMINEATA SUPPLEMENT in Romanian 29 Apr 93 p 2

[Interview with President Ion Iliescu by unidentified reporter of Voice of America radio station, in Washington on 21 April]

[Excerpts] [Reporter] President Iliescu, I had the honor of being, I believe, the first journalist to interview you when you stepped down from the plane. Now, on your departure from Washington, I am the last one to do so again. Let us start off this brief discussion, which is taking place so late in the day, from your contacts with the U.S. officials. Tell us please, what are the conclusions of these contacts?

[Iliescu] To begin with, I would like to emphasize that the last three days were very rich in this respect, being primarily marked by my meeting with President Clinton and the substantial, warm, open, and friendly talk we had. This meeting emphasized, first and foremost, the political desire—which was also shared by President Clinton—to place our relations on a new and solid foundation of full trust and fertile cooperation in all spheres. I believe that our attitude was welcomed by President Clinton, by Vice President Gore, with whom I had another talk today, and by various congressmen and senators I met. Therefore, my contacts with the politicians and representatives of the Administration and Congress were most fertile and took place in an atmosphere of broad openness, understanding, and the desire to mark a qualitatively new point in the bilateral relations between our countries. [passage omitted]

[Reporter] Mr. President, quite often ideologies tend to have a prolonged nefarious effect. This happened in the years of Nazism, it happened in the years of communism, and we can see it happening all over again in Bosnia-Herzegovina. What is your reaction to this ideological dynamic [passage omitted]?

[Iliescu] I believe that one of the most complicated and difficult problems—a basic task of the development of our civilization—is the need to rid ourselves of these dregs and proceed to a kind of ideological disintoxication. I can note the existence of such an ideological intoxication in our country, in Europe, and even in the United States, an intoxication that has left deep traces in the consciousness and behavior of people. I believe that one of the major conclusions of the recent historical experience would be to rid ourselves of this intoxication and look at the world with open eyes. [passage omitted]

[Reporter] Now, after the end of the cold war, the role of the United States has changed since the 1950's and 1960's. How do you see this role now, compared to the way it was perceived in the 1950's and 1960's?

[Iliescu] First of all, it is obvious that the Unites States is playing a particular role today, after the former Soviet Union's loss of superpower status, after the elimination of the state of confrontation specific to the cold war period and of the military, political, and ideological confrontation, and after the disappearance of the two opposed groups in Europe. The United States has remained the only superpower, with a particular responsibility and role in the evolution of the international political life—something which is also relevant to the prospect of our country's future economic recovery. In this respect, my contacts with businessmen here and with the representatives of various U.S. companies and banking and financial circles are encouraging and promising. We noted a real interest in our country, in the stability of our region, and in further developing economic relations between our countries.

Opposition Leader Backs Serbian Blockade

PM0405163693 Helsinki HUFVUDSTADSBLADET in Swedish 29 Apr 93 p 4

[Bjarne Nitovuori report: "Romanian Opposition Leader: Romania Is not Breaking the Blockade"]

[Text] Both the government and the opposition in Romania are agreed that the UN blockade against the former Yugoslavia is justified and that there is nothing to indicate that it has not held on the Romanian side.

That was the assurance from Romanian opposition leader Emil Constantinescu at a news conference in Helsinki yesterday.

Around a month ago the Serbs tried to break the blockade with oil transports along the Danube in such a way that they threatened the Romanians with an environmental catastrophe.

Romania was unable to meet this threat with force. The only thing it could do was to draw international attention to the matter.

"These transports should already have been halted in Ukraine. And thanks to the international attention this has happened and these intermezzi have not been repeated since," Constantinescu said.

He pointed out that the blockade against Serbia is particularly onerous for Romania whose trade with Yugoslavia has traditionally been great. He also said that Romania has never had an armed conflict with Serbia or Yugoslavia. During World War II when Hitler offered Serbian areas to Romania, Romania said "no."

The Romanian Government and opposition also share the view that Romania and Moldova should be united in one state, "peacefully, through reciprocal agreements, and on the basis of popular opinion."

Constantinescu was especially worried about Russia's determination to keep its forces in Moldova in order to establish a support point west of Ukraine and make certain of access to the Black Sea.

The opposition also supports the Romanian Government's endeavors to have Romania recognized as a member of the Council of Europe and to bring the country closer to NATO.

In Hungary there have been claims that the position of the large Hungarian minority in Romania has not improved since dictator Nicolae Ceausescu was toppled just over three years ago. Constantinescu pointed out that the situation for the inhabitants of Romania is difficult, regardless of whether they are Romanians or Hungarians.

He said that the Hungarians supported him in the presidential elections last fall and that the Hungarians' own party is one of the 18 organizations which form the opposition alliance, Democratic Convention, of which Constantinescu is leader.

He thinks that it is entirely justified for the Hungarians to have their own party—"despite the fact that in Europe, with the exception of Finland, it has been thought that ethnic parties are not needed"—because the tackling of the problems is then transferred to the parliamentary level. One result of this is that ethnic violence has not occurred since the events in Tirgu Mires (spring 1980).

Emil Constantinescu lost last fall's presidential election against Ion Iliescu. He does not question Iliescu's victory, but described the result for his own part as positive: Those who represent the future—most young people, the intellectuals, and the educated workers—supported him.

Interview With Foreign Minister Melescanu

AU3004191593 Bucharest LUMEA in Romanian No 10, 22-28 Apr 93 pp 9-11

[Interview with Foreign Minister Teodor Melescanu by Ioana Barbulescu; place and date not given: "My Optimism Is Obvious; However, I Would Like To Emphasize That It Is a Lucid Optimism"]

[Text] [Barbulescu] As can be seen from the government's statements, the European dimension is a priority target of Romanian foreign policy.

The many contacts you have had, both in Bucharest and abroad, with outstanding representatives of various countries and of certain European and Euro-Atlantic economic, political, and security structures indicate that there is ongoing interest in this matter. In other words, Romania clearly shows that it has the political will to draw closer to and later integrate with the respective structures.

What are, in your opinion, the chances that these initiatives will be favorably received abroad and be met with an appropriate reaction?

[Melescanu] Integration in the Euro-Atlantic structures is indeed an absolute priority of our foreign policy. In this respect, the many diplomatic contacts we have had and continue to have are a natural result of the growth of Romania's geostrategic significance.

Before going into details, I would like to take advantage of the fact that this interview will be published in LUMEA magazine, and invite the experts in the foreign relations area, university people, researchers, and journalists to not lose sight of the fact that, proceeding from the objective parameters of Romania's position, our diplomacy is using the descriptive phrase "Central European country bordering on the Balkans."

To convince you that this is not an "artificial" choice, I would primarily like to recall that in the period between the two world wars, Romania was usually included, along with the countries that are trying today to monopolize this term, in the Central European area. Here are two further arguments—theoretical and pragmatic ones—to corroborate this choice of terms that we prefer.

First, the theoretical argument. At the beginning of 1990, a political scientist of the caliber of Zbigniew Brzezinski warned that a change in European realities requires a revision of linguistic terms. "Today," he said, "East Europe has returned to being what it has always been from a historical, cultural, and philosophical viewpoint, namely Central Europe. Even though it has been wrongly labeled East Europe for almost half a century, its correct geographical definition is Central Europe. The terms 'East Europe' and 'West Europe,' as they were used in the last several decades, did not define geographical identity but rather a geopolitical one. They reflected the political division in Europe in the wake of the Yalta summit. Today, the Soviet Union has again become Europe's true geographical and geopolitical East." (Beyond Chaos; A Policy for the West; in "The National Interest," Spring 1990, pages 3-4)

Following the dismemberment of the Soviet Union—which could not be anticipated at the time of the publication of Brzezinski's study—even the picture he put forth needs some retouching. The "Soviet Union" should be replaced by such terms as "CIS" or "Russian Federation."

Regarding the pragmatic argument, I would like to recall that there are already some important political documents, worked out together with our partners in the West, which recognize Romania within the Central European area. What I have in mind, for instance, is the Declaration of the Extraordinary Meeting of the Council of Ministers of the West European Union with States from Central Europe (Bonn, 19 June 1992). The first paragraph of the meeting identifies the following countries as "states from Central Europe": Bulgaria, Czechoslovakia, Estonia, Latvia, Lithuania, Poland, Romania, and Hungary.

Coming back to the increase in Romania's geostrategic significance, I consider it worth pointing out that due to the changes that have occurred in the map of Europe over the past two years, our country ranks eighth in Europe from the territorial and demographic viewpoints. This means that, among NATO's cooperation partners in the North Atlantic Cooperation Council, we are, alongside Ukraine and Poland, among the most important countries in Central Europe.

Nevertheless, no matter how high the interest of the Western states and organizations in Romania's geostrategic potential may be, their concern with utilizing it for the sake of European stability and security would not have acquired the current status if domestic developments in Romania would not have represented in themselves a convincing indication of our European affiliation.

The older and totally unsubstantiated "doubts" about Romania's options have vanished in the meantime. We are receiving increasingly clearer signals that we are perceived, the same as our neighbors, as a country making a full transition to a market economy and a country which has irrevocably chosen the path of democracy. This is why this year Romania has become an associate member of the EEC and the European Free Trade Association. Despite a "somewhat slower" reaction from the Council of Europe to the pace and scope of our adjustment to European standards—including the area of human rights—Romania's acceptance as a full member in that organization will happen in the immediate future.

Referring to recent contacts, I would lie to dwell on two more significant ones: the visit to our country by a delegation led by Hans van den Broek, vice president of the EEC Commission and in charge of foreign political relations, and my participation in the many meetings of the Copenhagen International Conference on Economic Cooperation in Central and Eastern Europe. On this occasion, the political dialogue between Romania and the EEC was inaugurated.

During these meetings, I emphasized Romania's firm and irreversible desire for full integration in the European and Euro-Atlantic structures. On this occasion, I stressed that we count on the support of the EC countries, while in turn we are striving to contribute to a process that has enjoyed greater attention lately from the EC, namely, promoting harmonious cooperation among the associate member countries. In the EC view, which we fully share, such an initiative is in keeping with ongoing efforts to adjust to the requirements of our future integration in the EC. It also offers further guarantees of an orderly transition in this part of Europe—both within each country of the region and in the entire area—toward democracy and the market economy.

It is obvious that all these goals require time and continued effort, but I am convinced that if we commit ourselves to cooperation, openness, and solidarity, we can substantially contribute to building a truly united Europe in which only peace, freedom, democracy, and prosperity will rule. I hope you noted that my optimism is obvious. I would like to emphasize that it is sensible optimism.

[Barbulescu] An obvious concern in our country is the issue of relations with our neighbors. We understand that the problem deserves due and thorough attention. We would like you to be so kind as to tell us, during this session, what are the positive and negative points in our relations with the neighboring states and if there are any fears of certain pressures or threats against our country? Can we hope that lasting, cooperative relations will be established with our neighbors?

[Melescanu] Among the priorities of Romanian foreign policy, the target of establishing normal relations with the neighboring states and consolidating privileged relations with the Republic of Moldova comes immediately after our goal of integration in the European and Euro-Atlantic structures.

Our main concern now is the continuation of the open conflict in Bosnia-Herzegovina and the real danger of this conflict's expansion in the region. The involvement of Romanian diplomacy in the attempt to structure the region for the postviolence phase of the conflict is a reflection of this concern.

I believe that the broader notion of "normal relations" cannot replace the obligatory legal framework represented, in our opinion, by basic political treaties. Consequently, the negotiation and conclusion of such treaties with Hungary and Ukraine are absolute priorities. The basic political treaty with Bulgaria has already been signed. Along with the negotiation of these treaties, we intend to revise, with our partners, the overall legal framework so as to complete and adjust it, particularly on economic issues.

We place particular importance on promoting a steady political dialogue, expanding economic and cultural exchanges, and enhancing personal contacts.

To anticipate a possible and quite justified comment on the rather low level of economic exchange with the majority of our neighbors, I would like to state that, in our opinion, the decrease in the volume of trade among the countries in our region, after the dismantling of CEMA, is only a temporary negative phenomenon. The compatible level of economic development of the region's states as well as their geographic closeness and complementary economies are objective elements which will eventually prevail over any transient circumstances to the contrary, since it is known that economic interests usually take precedence over political ones.

[Barbulescu] You certainly followed the entire Vancouver meeting between Presidents Boris Yeltsin and Bill Clinton. What significant elements did you, in your capacity as head of Romanian diplomacy, note in that meeting?

[Melescanu] The Vancouver meeting obviously marked a very important political moment. This also due to the fact that it took place at a very difficult time for the president of the Russian Federation, who is confronted at home with a situation whose outcome is still hard to foresee.

The meeting is a clear indication of the substantial international support enjoyed by President Yeltsin. At the same time, both sides expressed the desire not to emphasize this aspect too much, so as to not provoke contrary reactions in Russia.

Our assessment of the situation leads us to several conclusions, from which I would like to emphasize just a few. First, the strong support given to the reform and democratization process in Russia, which was a basic element of the recent discussions in Tokyo among the foreign and finance ministers of the Group of 7. At the same time, no analyst can miss noting the U.S. Administration's position stating that assistance for Russia "represents an investment which is not only in Russia's interest, but also and primarily in the interest of the United States."

It is obvious that domestic developments in Russia have raised several question marks, primarily in the United States. These question marks particularly refer to guaranteeing the implementation of nuclear agreements and maintaining the stability of the Russian Federation so as to avoid the creation of an immense zone of conflict and tension with serious consequences for the entire world. No less significant is the United States' particular interest in the Russian market, proof of the perception that the current international economic recession is to a significant extent the result of Russia's current absorption difficulties and of the serious economic deterioration in that country. To this, one should add U.S. interest in Russia as a partner in the effort to solve certain complicated international problems, particularly the situation in the former Yugoslavia. As a matter of fact, the entire meeting in Vancouver proceeded under the sign of partnership between the two states, even though this concept has not been finalized in all details.

For Romania, this meeting is of interest to the extent that its results can contribute to stabilizing the situation in the Russian Federation and continuing the process of democratization and transition to a market economy, something which would also create conditions for developing cooperative relations between Romania and Russia, particularly economic ones.

It goes without saying that the countries in the quasi-immediate neighborhood of Russia, particularly Romania, are the first to be interested in the achievement of their domestic goals by the democratic forces in Russia. In a region where the "virus of instability" is highly potent, the consolidation of democratic values and practices and the principles and mechanisms of a market economy in all of the region's countries is the only guarantee of strengthening the immunological resistance to any temptations to oppose the trend toward a united Europe. At the same time, it is a preventive measure against a revival of hegemonic aspirations.

We view the assertion of democracy in Russia as an important prerequisite for consolidating the independence and sovereignty of the Republic of Moldova and lessening the tension in the Dniester region, with all the positive implications such a reduction of tensions might have.

[Barbulescu] Would you like to mention for the readers what the main diplomatic initiatives are in the near future?

[Melescanu] We are going through an extremely busy and intensive period in foreign affairs.

Romanian diplomacy is trying to follow the logic of the time and keep up with the pace generated by the increased volatility and fluidity of events, particularly in our area.

We give primary attention to our relations with the European and Euro-Atlantic political, economic, and security structures. Even today, we welcomed to Romania Hans van den Broek, vice president of the EC Commission, who visited our country immediately after the meeting in Copenhagen and the inauguration of the Romania-EC political dialogue.

Romania, Bulgaria, and Hungary will shortly begin negotiations with the West European Union on utilizing the assistance extended by this important European organization for monitoring the embargo on the Danube.

We are striving to work out a plan for structuring our area in the post-violence stage of the Yugoslav conflict, by taking into consideration the economic, military, security, and human rights realities and needs of the states in the Yugoslav space. We believe that the participation of all the region's countries, along with the United States and the Russian Federation, in such an initiative would contribute to creating the minimal conditions for the eventual normalization of the relations among those parties engaged in the conflict there.

The structuring of these complicated relations would contribute to counteracting the tendency to instability and crisis to which this region has been traditionally exposed to.

At the same time, we are concentrating our efforts on attaining an important goal of the "European spring campaign" of our diplomacy, namely our joining the Council of Europe as a member with full priviledges.

Concurrently with this particular activation of our multilateral diplomatic initiatives, we wish to diversify our political and diplomatic contacts at bilateral level.

In the immediate future, I will pay official visits to Mexico, the PRC, Singapore, and Thailand. For the first time ever—a practice that we would like to continue in the future—our delegations will be accompanied by an important group of Romanian businessmen, thus trying to add a much needed economic dimension to the classic political-diplomatic activity. I will also accompany President Ion Iliescu to the ceremonies connected with the inauguration of the Holocaust Memorial Museum in Washington. Mr. Iliescu's presence in the United States will also facilitate the establishment of contacts with the U.S. Administration, the House of Representatives, and certain international financial bodies, as well as with representatives of U.S. business and the Romanian Diaspora.

[Barbulescu] Thank you, Mr. Minister.

Labor Ministry Announces Unemployment Statistics

AU0405081993 Bucharest ROMPRES in English 0656 GMT 4 May 93

[Text] Bucharest, ROMPRES 4/5/1993—There were 1,051,070 unemployed in Romania, on May 3, 1993, including 429,789 men and 621,221 women, show statistical data released by the Ministry of Labour and Social Protection. Of them, 956,564 are on the payroll of the labour offices, including 833,373 industrial workers, 106,456 high-school leavers and 16,734 people with academic studies.

As many as 605,775 get unemployment benefit and 350,788 subsistence allowance.

There are also 94,506 looking for a job but who are not entitled to either benefit or allowance.

The unemployment rate stands at 9.5 percent.

At the same date, the vacancies counted 5,523, of which 512 for high- and higher-school leavers and 5,011 for industrial workers.

Minority Representatives Condemn Council

AU0405102393 Bucharest COTIDIANUL in Romanian 28 Apr 93 p 2

["rep"-signed article: "The Council for Ethnic Minorities Raises Certain Doubts"]

[Text] Established through a government decision, with a lot of noise and in a festive framework, the Council for Ethnic Minorities wishes to be the ideal washing powder for the government's dirty laundry. The recently published government decision contains precisely as many ambiguities as necessary to eliminate the good intentions with which the representatives of ethnic minorities came to the Victoria Palace. First of all, this council will include ministers, state secretaries, and general directors of departments in various ministries and "also representatives of ethnic minorities in Romania." Secondly, nobody knows how the recently established council will operate or whether the decisions that might be taken will be compulsory or not. Next, the level of representation of ethnic minorities was decided in an arbitrary way (the Hungarians have two representatives; the Bulgarians four; the Armenians three; and the Romanies four). This afternoon a meeting will take place between the "representatives of minorities" with the government representatives, a meeting that is expected to be ...interesting, considering the aforementioned facts. Therefore, we asked the opinions of the representatives of the UDMR [Democratic Union of Hungarians in Romania] and of the Union of Armenians regarding this council.

Varujan Vosganian, representative of the Union of Armenians of Romania: "From my point of view, the Council for Ethnic Minorities has not yet been established. The establishment of this council was a unilateral government decision, taken without consulting the minorities. On the other hand, I have not understood what the nature of this council is, if it is a government organization, I do not understand why the representatives of minorities are included and what their role is. If it is a joint body, I do not understand the need for a government decision for its establishment. Nor do I know what our consultative role would be as far as the government's decision is concerned. I do not know how the council is going to function and what will be the voting system within this council. We fear that we are just being used in this period as a means to facilitate Romania's integration in European structures. However, this time we are not willing to sacrifice ourselves for propaganda purposes."

Attila Marga (UDMR): "It seems to me that the haste with which the council was established and the lack of precision in the text of the decision prove the propagandist nature of this government action. We could conceive of this body with much larger duties, a council that would indeed be involved in the action of finding solutions to the problems of minorities.

"If the government does not have—and it has already proved that it does not have—a definite idea on this issue, than at least this council should find ways to solve those problems. However, I do not know what power such a council might have and in what way it would succeed in becoming efficient. The problem is that I cannot see the government's willingness to solve all these problems and without the political will, without a clear concept presented in the parliament, I do not know whether such an institution can solve all the problems."

Milosevic Urges Assembly To Accept Peace Plan

LD0505145793 Belgrade Radio Beograd Network in Serbo-Croatian 1225 GMT 5 May 93

[Speech by Serbian President Slobodan Milosevic at Bosnian Serb Assembly session in Pale on 5 May—live or recorded]

[Text] Esteemed people's deputies, allow me first to greet you all on behalf of all citizens of Serbia. In the last few years Serbia has shown vast amount of solidarity with the Serb people outside of Serbia, with the Serb people in Bosnia-Herzegovina. I want to convince you that the solidarity, since it comes from the hearts and interests of all of our people, will be permanent and undisputed in the future. But let me also say a few words about the biggest decision facing this house, risking oversimplifying things, to put them as simply as possible in order to make them clearer. Let me say immediately: I believe that the decision in favor of peace does not have any alternative. I believe that the decision in favor of peace and endorsement of Radovan Karadzic's signature in Athens is a decision which is in the interest of the Serb people in Bosnia and in the interest of all of the Serb people. The main question arising from the beginning and we have defined it together is: What is the aim of the Serb people in the Balkans? I would put it very briefly: In all of our struggles the aim of the Serb people in the Balkans has been and remains to be free and enjoy equality.

For that very reason—for the Serb people to be free and equal—in my opinion, the offered proposal should be assessed by how much freedom and equality such an approach secures. As for the freedom, as Radovan Karadzic mentioned at the beginning in his expose, the latest talks that we held last week in Belgrade and also during our meetings in Athens were primarily focused on the question of security, safety, and that as a whole means freedom of the Serb people outside the Serb provinces. This is the very greatest achievement of the talks held in the last few weeks—that guarantees have been obtained and stated in official documents, whereby the Croatian Defense Council or the Green Berets will be prohibited from entering the areas outside the Serb provinces where the Serb people lives and that only the UN forces will be allowed entry to these areas. That means that these areas, together with the Serb provinces, are a security zone, meaning that nobody has to move from their homes, their villages, and towns, that people can stay there, enjoying normal development, and all its human and national interests. This means that the freedom is guaranteed and is a condition accepted in the proposed solution, but it also means that this freedom has been achieved through the struggle of the Serb people in Bosnia. Also, if we turn to the other side, the question of equality, the Serb people has also achieved it through its struggle. You can remember very well that the conflicts began when the rights of the Serb people, as a constituent people in Bosnia-Herzegovina, were tread on, when the decisions began to be made without its participation, without consulting it, and against its will. This solution envisages such equality whereby it can be said that the Serb people in Bosnia-Herzegovina has through its struggle regained its status of a constituent people. Our talks with the cochairmen of the conference were so detailed that we even went as far as stating precisely that not even the rules of procedure of the future tripartite presidency, in which the Serb people makes decisions by consensus—not even that first document—can be adopted in any other way but by consensus.

Accordingly, like any other nation, the Serbs have a full and equal right and ability to make decisions concerning its destiny.

If the main issue and the main goal of the Serb nation in the Balkans to be free and equal are being viewed through the prism of the solutions being offered we can see that it [the Serb nation] has regained both its freedom and equality and that it can, after the struggle to regain its freedom and equality, make a decision not to give up its demands but a decision to resolve the outstanding demands peacefully and not through war, to continue to tackle the remaining issues at the negotiating table and through political processes and not by sacrificing new lives. Each sacrifice is justified if it helps to achieve a goal. But no sacrifice for freedom and equality is justified if the solution being offered guarantees both freedom and equality.

It is my view, therefore, that this is the only decision possible, and I am convinced and hope that this assembly will show both wisdom and courage to pass such a decision, a decision to resolve the remaining outstanding issues in a peaceful way rather than through war and to endorse Karadzic's signature in Athens.

I greet you all once again on behalf of the citizens of Serbia and wish you success in your work.

Karadzic Encourages Deputies To Accept Peace Plan

AU0505111893 Belgrade Radio Beograd Network in Serbo-Croatian 1100 GMT 5 May 93

[Srdjan Savic report from Pale]

[Text] The Serbian republic assembly session started at 1215 [1015 GMT] in Pale with the anthem Lord of Justice. The session is attended by Greek Prime Minister Mitsotakis, Yugoslav leaders Dobrica Cosic, Slobodan Milosevic, and Momir Bulatovic, and chairmen of both chambers of the FRY Assembly, Milos Radulovic and Radoman Bozovic.

After the initial welcome, Radovan Karadzic, president of the Serbian republic, addressed those present. He said that the Serbs had been fighting a defensive war for 13 months but, despite that, they had been proclaimed aggressors. The Vance-Owen plan is in essence catastrophic and it denies us the right to our own state, but they are threatening us with the destruction of the entire Serbian people and with unilateral arming of the Muslims, Karadzic said. I have conditionally initialed the plan in Athens, under great pressure. However, the plan gives us 43 percent of the territory, which is more than we have ever had in Bosnia-Herzegovina. This war has got to stop, and it will be either in the way envisaged by the Vance-Owen plan or by NATO military action, which is very likely.

Radovan Karadzic then invited the deputies to accept the Vance-Owen plan. Greek Prime Minister Mitsotakis then took the floor. That is when they closed the session to the public.

Bosnian Serb Assembly Session Opens

LD0505111093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1044 GMT 5 May 93

[Text] Pale, 5 May (TANJUG)—A session of the Serb republic's parliament at which the deputies will either ratify or reject the Vance-Owen plan for former Bosnia-Herzegovina began shortly after 1200 today in Pale, the Serb republic's political center.

The session was delayed for two hours as the arrival was awaited of the Yugoslav president, Dobrica Cosic, the presidents of Serbia and Montenegro, Slobodan Milosevic and Momir Bulatovic, and Greek Prime Minister Konstandinos Mitsotakis.

They made no statement on arrival and the session began behind closed doors shortly after their arrival in the assembly hall.

All 82 deputies of the Serb republic assembly have arrived in Pale to take part in the session. The session is also being attended by the entire Serb republic government; by Ratko Mladic, commander of the General Staff of the Serb republic army, and his deputy General Milan Gvero, and the majority of corps commanders of the Serb republic army. The guests include representatives of the Serb Orthodox Church in the Serb republic, and all bishops with Archbishop of Dabro-Bosnia Nikolaj at the head.

During the morning NATO pact planes, which control the sky over Bosnia, flew over the Pale area on several occasions.

Delegate Poll Finds Little Support for Peace Plan

LD0505010593 Belgrade TANJUG in English 0005 GMT 5 May 93

[Text] Pale, April 4 (TANJUG)—On the eve of a crucial session of the Bosnian Serb parliament which is to ratify or otherwise the peace plan of international mediators Cyrus Vance and Lord Owen which Bosnian Serb leader Radovan Karadzic tentatively signed in Athens on May 2, parliamentary clubs and Bosnian Serb municipal leaders are holding a closed-door meeting.

The Bosnian Serb Government has met during the day.

A record number of about 300 Yugoslav and foreign reporters have arrived in Pale near Sarajevo where parliament is due to meet tomorrow.

The only indication of the deputies' mood is a poll conducted by the Bosnian Serb radio. Of the 21 deputies polled, only one said that the Vance-Owen plan could be accepted with the additional explanations which the Bosnian Serb delegation received in Athens.

A Bosnian Serb minister who did not wish to be identified told TANJUG that the signature of the Bosnian Serb delegation to the plan drawn up by the co-chairmen of the international conference on the former Yugoslavia could hardly be endorsed without additional written guarantees.

The minister said the balance of power in parliament was such that Karadzic could hardly muster a majority to support the plan. He explained that the deputies from western Krajina, eastern Bosnia and the region along the Sava River—the territories which under the Vance-Owen plan should be given to the Moslems and from which the Bosnian Serb army should withdraw after having defended them successfully for a year—constitute the majority in parliament.

Akmadzic Views Consequences of Vance-Owen Acceptance

LD0405132893 Belgrade TANJUG Domestic Service in Serbo-Croatian 0935 GMT 4 May 93

[Text] Zagreb, 4 May (TANJUG)—Mile Akmadzic, prime minister of the Muslim-Croat government of Bosnia-Herzegovina, stated in an interview for the Zagreb daily VECERNJI LIST that after the Serb acceptance of the Vance-Owen plan for Bosnia-Herzegovina "a temporary presidency and government will be appointed immediately."

The appointment of the presidency and the government, Akmadzic said, should be confirmed by the UN Security Council.

The presidency, made up of nine members, three each from the Muslim, Croat, and Serb nations, would not deal with military issues because Bosnia-Herzegovina should be demilitarized 45 days after the beginning of the transitional period, Akmadzic explained.

Akmadzic warned that Bosnia-Herzegovina does not exist as a legal entity because it does not control all its territory even though it is an internationally recognized state.

Croat members of the government and the Presidency of Bosnia-Herzegovina left Sarajevo, Akmadzic said, stressing that they did not want to be part of the authorities in which Muslims block the Croat representatives by outvoting them.

"In Sarajevo decisions are made by the Muslim members of the government, while in Mostar this is done by the Croat members of the government. If this continues we cannot rule out the possibility that we in Mostar will proclaim that we are the government of Bosnia-Herzegovina in accordance with the law whereby the premier and at least five members of the government can adopt decisions as the government of Bosnia-Herzegovina," Akmadzic warned.

On this occasion Akmadzic again denied the legitimacy of President Alija Izetbegovic, claiming that his mandate as president of the Bosnia-Herzegovina Presidency expired on 20 December last year and that Izetbegovic "usurped that position."

Artillery Near Pale To Be Used Against UNPROFOR

AU0505092893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 5 May 93

[Text] Information gathered by the Bosnia-Herzegovina Ministry of Internal Affairs reveals that Karadzic's signature on the Vance-Owen plan will be discussed in a couple of days behind closed doors by the headquarters of the so-called Yugoslav Army, headed by General Zivota Panic, and that this will be one of the key directives for the deputies of the assembly of the self-styled Serbian republic in the possible endorsing of Karadzic's signature in Athens.

According to one of Karadzic's advisers, the military leadership of the so-called Serbian army is persistently pushing the option that no concessions should be made to the West at any cost, even if all the Serbian soldiers on the front were to be killed. If NATO and the others eventually decided to militarily intervene, they would, according to Karadzic's adviser, activate their plan to create several Vukovars [town in Croatia that was completely demolished by Serb artillery in 1991] in Bosnia-Herzegovina, and do many other things that nobody expects.

Some other information received from several sources can also be mentioned in connection with that. This information states that a launching battery [lansirna rampa] with surface-to-air missiles has recently been installed at [word indistinct] airfield (?Krtelj). The aggressor intends to use it in the event of NATO air strikes at the Chetnik artillery positions in that region. Our sources close to the aggressor's headquarters in Lukavica say that in the vicinity of Pale, a 405-mm howitzer has been positioned on one of the hills. This howitzer is directed at the building of the Bosnia-Herzegovina Presidency. The sources claim that the story circling among the Serb army officers is that if their artillery is withdrawn from their positions around Sarajevo, then they would use that howitzer, whose destructive power is extreme, to fire at the Presidency building, which will then be ascribed to irresponsible individuals that are out of control. There is also word that they would use it on the UNPROFOR facilities and troops.

Muslims Fire on UNPROFOR Column

LD0405203793 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 4 May 93

[Text] Following five hours of persuasion, Muslim forces in the Neretvica valley eventually decided to allow passage to a UN Protection Force column which included General Milivoj Petkovic, Croatian Defense Council chief of the staff, and Sefer Halilovic, his counterpart in the Bosnia-Herzegovina army, with their aides; however, the Muslim forces opened fierce fire in the village of Sulkici on the section of the column, which had to return. At the same time Muslim forces launched an infantry attack on Seonica. The attack was carried out by special units from Gornji Vakuf, Zuka's units, and members of the Handzar Division from Kosovo.

Sarajevo Attacked With 'Unabated Intensity'

AU0505110393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 5 May 93

[Text] After a generally quiet morning, the aggressor has intensified his attack on Sarajevo. Since 1100 [0900 GMT], the center of the city has been exposed to intense shelling, as four shells landed near the Mechanics School in Novo Sarajevo. The aggressor's snipers are also active on all the district's intersections. In Novi Grad, the aggressor is intensely shelling the district of Pavle Goranin, while Dobrinja is being sporadically shelled. The enemy is also firing from small arms. The free Vogosca territory is also exposed to sporadic shelling. The security services are warning the citizens to be careful.

We have just received information that the shelling is continuing with unabated intensity. The aggressor is targeting the wider area of the city, and 16 wounded citizens have so far sought medical treatment in the city hospitals. Most of them are seriously injured.

UNPROFOR To Check Allegations of Serb Attack on Zepa

LD0405224593 Belgrade TANJUG in English 2221 GMT 4 May 93

[Text] Belgrade, May 4 (TANJUG)—A spokesman for the U.N. Protection Force [UNPROFOR] in the Croatian capital Zagreb said on Tuesday that a team of U.N. military observers, escorted by Bosnian Serbs, would go on Wednesday to Zepa, a Moslem enclave in the east of the war-ravaged former Yugoslav republic of Bosnia-Herzegovina, to check Moslem allegations of Serb attacks on the area.

REUTERS quotes the spokesman as saying that the Bosnian Serb offer to escort the U.N. team is an effort to prove the falsity of the Moslem allegations of a massive Serb artillery attack on Zepa.

The agency notes that the Moslem reports of an offensive on Zepa on the eve of a crucial vote by the Bosnian Serb Parliament on a peace plan for Bosnia may have been deliberately exaggerated.

The Bosnian Serb Army command said on Tuesday evening that Bosnian Moslems had attacked Zepa to sabotage the Bosnian Serb Parliament's session on Wednesday.

Moslem forces on Tuesday morning launched a massive attack on the positions held by the Bosnian Serb Army which has been forced to return fire, the command said.

The strategy of the Moslem leadership is again quite transparent—to blame the attacks on the Serbs and provoke a radical internationalization of the war in this area, it added.

Morillon, Izetbegovic Discuss Situation in Zepa

AU0405184493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 4 May 93

[Text] The situation in Zepa was discussed at the meeting of Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, and General Philippe Morillon [commander of the UN Protection Force in Bosnia-Herzegovina]. Let us listen to what General Morillon stated after the meeting:

[Begin recording; Morillon speaking in French with passage-by-passage translation into Serbo-Croatian] Regarding Zepa, we have had some alarming news. However, I have reached an agreement with the Serbs that (?on this occasion) military observers be deployed there. Therefore, we will send military observers to Zepa on this occasion.

There is another very important thing that I have agreed upon here, in the Presidency, and that is the solution of the problems in central Bosnia and at the same time also solution of the problems in Bihac, Tesanj, and Sarajevo.

Regarding Sarajevo, I believe that we could begin talks on the demilitarization of the city within the coming week. To [word indistinct] communication route, I ordered my troops to start clearing the roads [words indistinct] from the mines that had been laid there. In this way, the way will be prepared for the Sarajevo-Mostar road to be opened to traffic at any moment, for which I presume that [words indistinct]. [Words indistinct] but I believe that [words indistinct] this route could be opened not only for the UN Protection Force troops but also for commercial purposes [words indistinct]. This is naturally, [words indistinct] [Sentence indistinct]

If need be, I will personally [words indistinct] problems. However, I believe that as soon as the military observers are deployed in Zepa, bearing in mind a clearly communicated desire for peace from Pale, this will not be required and that [words indistinct]. [end recording]

Izetbegovic Calls For UNSC Meeting on Zepa

AU0405153593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 4 May 93

[Statement by Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency; place and date not given—recorded]

[Text] We received the news this morning that the enemy had moved into a sort of total [words indistinct] with heavy artillery and similar from all directions at dawn. This means a very bleak situation for Zepa and the people there. According to our reports, there are currently more than 40,000 people there, the vast majority of whom are refugees from Srebrenica and the nearby towns and 8,000 children. Therefore, this is a very dangerous situation, and, from a humanitarian point of view, a terrible situation.

For this reason I find it necessary that the UN Security Council meets immediately, with the demand that Zepa be declared a UN-protected territory, [words indistinct], as they call it, and that a contingent of blue berets be immediately deployed there.

I also contacted our representative in the UN, Muhamed Sacirbey, [words indistinct] the UN Security Council session in view of this, stressing, of course, that the cease-fire is not being observed. This casts doubt on [word indistinct] in Athens two days ago. I also (?called) General Morillon [commander of UN Protection Force for Bosnia-Herzegovina] and asked him, with his troops in Bosnia-Herzegovina, to do whatever he can right now, and not to wait for the decision of the UN Security Council, as this is within his power and he can do this, naturally, if he has (?sufficient) troops as his disposal.

We demanded that a convoy sets off for Zepa because during all this time only [words indistinct] three convoys of food have reached this town where the people are literally dying of starvation. We, naturally, also [word indistinct] certain military measures under the (?command) of [words indistinct].

Therefore, in this way I want you to inform the domestic and international public [words indistinct] you too, by giving maximum publicity to it, bearing in mind that the lives of 40,000 people are at stake.

Radio Reports 'Hand-to-Hand Fighting' in Zepa

AU0505085893

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 5 May carries in its regular 14-minute newscast several reports on the fighting in the republic.

The studio announcer cites the Zepa Press Center as saying that "bestial Chetnik attacks have intensified this morning on the town. There is hand-to-hand fighting along the entire front line. Losses are great and the

Chetniks are still bringing in new forces. The shelling of free Zepa territory is continuing. The number of civilian casualties is increasing."

The Brcko Press Center reports that "at about 1930 [1730 GMT] last night, while the enemy was trying to get to one of the two tanks that the defenders had destroyed earlier, the Brcko fighters again showed a high level of preciseness, and destroyed the third enemy tank. Then we heard Chetnik commands issued over loudspeakers, and the tanks pulled back. Strong small arms fire could then be heard from the occupied territory. This second Chetnik clash in a row yesterday must have been caused by the fact that not one Chetnik tank crew was any longer ready to come into the range of our antitank units."

The Gradacac Information Center reports that "yesterday evening was fierce as the enemy used 82-mm and 120-mm mortars from Slatina and Nisici to pound Pozarike, Begov Konak, and Sibovac. A recoilless gun from Vis fired some 50 shells at Mionica. The situation improved after 2000, but small arms provocations continued. This morning Pozarike was shelled."

Reporting from Olovo, Velid Djindo says that "last night the enemy launched a fierce combined mortar-howitzer attack at 1820 along the Krivaja River valley." He says that "at about 0835 this morning the aggressor launched another artillery attack on Olovo with 155-mm howitzers."

In his report from Maglaj, Hajrudin Sermic says that "throughout the night the Chetniks fired at civilian targets and the defense lines with antiaircraft guns and machine guns, and (?PM-84) from their stronghold in Kapetanovo Guvno."

The studio announcer says that "Sarajevo is generally quiet."

UNPROFOR Observers Prevented From Reaching Tuzla

AU0405192593 Paris AFP in English 1848 GMT 4 May 93

[Excerpts] Sarajevo, May 4 (AFP)—The U.N. Protection Force (UNPROFOR) in Bosnia-Herzegovina will send military observers into the eastern town of Zepa early Wednesday, its commander announced Tuesday as Serb forces were reported to be engaged in a massive attack on the Moslem enclave. [passage omitted]

An UNPROFOR spokesman in Zagreb said two coaches transporting U.N. military observers would leave Pale, the headquarters outside Sarajevo of the Bosnian Serb leadership, early Wednesday to travel to Zepa with a Bosnian Serb military escort.

The observers would be charged with evaluating the situation in the enclave where 40,000 people are trapped, the spokesman said.

Four military observers attempted Tuesday to travel to the northeastern government-held town of Tuzla but had been prevented from entering the town by local Serb commanders, he added. [passage omitted]

Two UNHCR Aid Convoys Head for Srebrenica, Tuzla

AU0505104793 Paris AFP in English 1030 GMT 5 May 93

[Text] Belgrade, May 5 (AFP)—Two U.N. relief convoys left Belgrade on Wednesday [5 May] heading to the Bosnian Moslem enclaves of Srebrenica and Tuzla, Lyndall Sachs, a U.N. High Commissioner for Refugees spokeswoman, said.

"Ten trucks carrying 100 tonnes of food are heading to Srebrenica (to the east) and 15 carrying 150 tonnes of food are heading to Tuzla (in the northeast)" said Sachs, adding that the convoys are expected to reach their destinations by Wednesday afternoon.

She said by mid-morning the Srebrenica convoy had reached the Serb border town of Zvornik where Serb troops were to search the trucks. The Tuzla convoy had entered Bosnian territory, she said.

Relief convoys have been able to carry out their missions in Bosnia-Herzegovina more easily in the last week, according to U.N. officials.

Previously, Serb forces had blocked several convoys.

Muslims Accused of Failing To Demilitarize Srebrenica

LD0405163093 Belgrade TANJUG in English 1555 GMT 4 May 93

["Pool" item]

[Text] Bratunac, May 4 (TANJUG)—The Serb side has fulfilled all obligations under the agreement to demilitarize Srebrenica, a Moslem enclave in a Serb-held territory in East Bosnia, while the Moslem side does not even think of it, Chief-of-Staff of the Bosnian Serb Army General Manojlo Milovanovic told TANJUG on Tuesday.

An ethnic war between local Serbs, Croats and Moslems has been ravaging Bosnia-Herzegovina for more than a year. Moslems and Serbs undertook to demilitarize Srebrenica under an agreement signed on April 17.

General Milovanovic recalled that the Serb side had not only honoured all its commitments under the agreement, but had also met some additional requests from the United Nations Protection Force (UNPROFOR) command for the former Yugoslavia.

Thus on April 18, the day when the agreement came into force, 19 convoys with humanitarian aid, primarily food and medicines, arrived in this town across Serb territory, while only some 150 tonnes of food, medicines and medical supplies was airdropped to that destination over the period.

General Milovanovic said that Moslems in the area of Srebrenica hope for outside military intervention to help them in the attacks they plan in the area with the ultimate objective of expelling the Serbs from East Bosnia.

Moslem commanders count on success in these plans, provided Americans come to their help, General Milovanovic added.

He pointed out, however, that the "Moslem extremists in the area of Srebrenica will in no way succeed in carrying out their plans."

Serbs Reportedly Attack Zadar, Biograd

LD0405213293 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 4 May 93

[Report by correspondent Toni Pajkin from Zadar]

[Text] A ferocious Serb attack on Biograd is underway this evening. On several occasions Zadar was also attacked. So far, there have been no casualties in either of the towns. It all began with an attack on Zadar shortly before 1900 when Chetniks from Gornji Zemunik fired six tank shells on Zadar. The shelling of Zadar was repeated at about 2100 when several tank shells exploded in the town destroying and annihilating everything in the vicinity.

The first assault on Zadar was followed by a heavy attack on Biograd at about 1930. For almost two hours grenades and tank and artillery shells kept falling on Biograd incessantly. The Serbs from Kakma, Ceranje, and Jagodnja have been pounding Sveti Filipjakov.

As I have already said, according to the Biograd health center, there have been no casualties, but enormous material damage has been caused.

Fierce battles are underway on the battlefront this evening. The Croatian army is responding to the attacks by Chetniks who have been firing from Biljane, the occupied village of Nadin, from Debelo Brdo, Lisane Tinjske, and Zemunik Gornji. Their barrels are targeted on Novigrad, Kasic, Paljuv, and other Croatian army positions. Galovac, Gorica, Grgurica, and (Vinterinci) have also come under attack.

For the 15th night, a general alert has been in force in both Zadar and Biograd. Many will spend this night in shelters again.

Radio Reports Shelling of Bihac, Brcko

AU0405192293

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 4 May reports more violations of the cease-fire in the republic: "After minor provocations in the morning, the aggressor stepped up military activities in the afternoon," press center of Gradacac commune reports. As it is stated, "this applies particularly to the north and northeast sections of defense." Mortar attacks from Slatina at Pozarike and Begov Konak started at 1200 GMT, the report says, adding that 80-mm and 120-mm grenades were also falling "on the positions of our fighters in (?Sibovac) and in the industrial zone of the town."

Hamiz Deronjic reports from Brcko that "the Chetniks" attacked defense lines in Dizdarusa at 0615 GMT this morning. He reports that "the Chetniks pounded the entire line of Brcko's defense with heavy artillery," especially in the region of Lipovac which came "under fierce tank and infantry attack" at 1000 GMT. According to him, the battles went on for a "full four hours," after which the "Chetnik attack was thwarted." He also reports that "three horrendous explosions went off in the occupied section of Brcko territory" at 1300 GMT.

The correspondent from Bihac Mirza Sadikovic says that "the bloody tank offensive in Bihac area continues today." According to him, "the most intense combat activities are being undertaken in the zone of responsibility of the 521th Hill Brigade, on the territory of Velika Kladusa commune, where the aggressor this morning launched one of the strongest attacks at this region." He claims that several hundred, various artillery missiles were fired at the area. "In the afternoon, the aggressor shelled Bihac," Sadikovic reports, killing three civilians.

Reporting on the situation in Sarajevo, Mila Pahic says that "Kovaci was shelled at approximately 1800 [1600 GMT]." She reports further that a death-sower [M-80 machinegun] in Spicasta Stijena is firing at Srebrenik. "Some ten grenades landed in the Center commune between 1400 to 1620," Pahic reports, adding that one person was killed by them. According to her, another three grenades were fired at Novo Sarajevo commune at 1600 GMT. She reports sniper fire throughout the city.

Serbs Reportedly 'Stumbled' on Bihac Mine Field

AU0305114093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 3 May 93

[Mehmedalija Zulic report from Bihac]

[Text] There is no peace in this region. At 0900 [0700 GMT] an artillery attack was launched at the center of Bihac from the enemy strongholds. Several shells landed on civilian targets but fortunately there were no casualties among the civilians. However, more material damage has been caused.

Throughout the night we could hear small arms fire and explosions from the front line. Fighting has continued on the Velika Kladusa front, where the enemy attempted another infantry breakthrough yesterday. The attack was repelled and the Chetniks from the so-called Serbian autonomous region Krajina suffered serious losses in manpower and equipment. The defense line has been moved some 100 meters forward. Three fighters were killed and three were wounded in the heroic battle.

The Information Service of the Bosnia-Herzegovina Army Fifth Corps says that the Chetnik forces are still amassing on the occupied parts of Croatia on the border with Bosnia-Herzegovina, and bringing in reinforcements from Bosanski Petrovac and Bosanski Novi.

The enemy attempted an infantry breakthrough in the zone of responsibility of the 101st Brigade of the Croatian Defense Council, but stumbled on a mine field that was intended just for such uninvited guests.

Attempts To Broker Muslim, Croat Cease-Fire Fail

AU0405151793 Belgrade Radio Beograd Network in Serbo-Croatian 4 May 93

[Risto Djogo report]

[Text] Muslim and Croat clashes in central Bosnia and in the Neretva River valley continue. As always, the fiercest clashes are in progress in the vicinity of Jablanica, Konjic, and Vitez. Sefer Halilovic, head of the Supreme Command of the so-called Bosnia-Herzegovina Army, and Major General Milivoj Petkovic, chief of staff of the Croatian Defense Council [HVO] Headquarters, have been touring the fronts for days, trying to convince the Croats and the Muslims to stop fighting. However, they have not met with success. For example, last night on the Jablanica-Konjic road, the deputy commander of the 4th Corps of the so-called Bosnia-Herzegovina Army was taken prisoner, as was the mufti of Tuzla, and the members of the Tuzla County Government. According to Muslim Sarajevo Radio, people died in this attack. Muslim sources do not say how many.

The village of (?Blosnica), near Jablanica, has been burned to the ground by HVO forces. It is completely uncertain what is going on in Mostar at the moment. According to latest information, the Croats are in control of the city and they are seizing those Muslims who are not loyal to the Croat authorities. Today, a unit of blue helmets was attacked on the Vitez-Kiseljak road. The representatives of the blue helmets have not disclosed whether it was the Muslims or the Croats who attacked them. In any case, the war between the Croats and the Muslims continues to spread.

HVO, Muslims Agree on Joint Control Over Travnik

LD0405124793 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 4 May 93

[Text] Meetings between the commands of the HVO [Croatian Defense Council] and the Bosnia-Herzegovina army are already yielding results, HINA has learned from the command of the HVO's Travnik Brigade. In addition to the introduction of joint checkpoints and patrols in the town of Travnik and in the territory of Travnik municipality, last night they also agreed on how and when to carry out the withdrawal of the weapons and troops directed toward the allied side. Both commands assumed full responsibility for all of their units and agreed to prevent the activities of criminals in their ranks. Both commands also discussed the problems that forced the HVO to move its military and civil authorities out of the town and the conditions under which the HVO will return to its barracks and other buildings in the town. Members of the HVO and the Bosnia-Herzegovina army command strolled through the main Travnik street which was well-received by the residents, contributing to further easing of the tensions. At the same time the civil authorities of the HVO and the Muslims agreed to establish joint civil authorities in the Travnik municipality—this was stated by the command of HVO's Travnik Brigade.

Commentary Views Muslim-Croatian Clashes

AU0405165693 Sarajevo OSLOBODJENJE in Serbo-Croatian 23-29 Apr 93 p 2

[Sejfudin Tokic commentary: "The Shelling of the Maps"]

[Text] The most recent clashes between the Army of Bosnia-Herzegovina and units of the Croatian Defense Council [HVO] have exceeded all previous ones in intensity, as well as in duration. The media in Bosnia-Herzegovina and Croatia are issuing diametrically opposed accounts of the causes and the course of the clashes, while many politicians, functioning as "people's representatives," are repeating the theory that "the clashes between Muslims and Croats are unnecessary," reducing it to the level of a worn-out phrase, or rather to the absurdity of assuming that there can be "necessary" clashes between peoples.

Avoiding stating the essential causes for the existing situation in central Bosnia and in Herzegovina, there are many who, following the communist principle of equal responsibility, speak of blame and clashes between the Muslim and Croatian extremists. Moreover, the story about the Counterintelligence Service [KOS] making mischief amid generally idyllic relations between the B-H Army and the HVO was again heard in public, but also together with a simple-minded question: Why now?—as if there should be a moment in the drama of Bosnia-Herzegovina appropriate for opening a front between the Muslims and the Croats, and leaving aside the one against the ruthless aggressor. Without excluding the possibility of agents provocateurs, willing to make continuous mischief between the B-H Army and the HVO on behalf of the Chetniks, it would be naive to seek the essential causes of the frequent conflicts in the activity of KOS.

This opinion is confirmed by daily reports from the intelligence services of the B-H Army and the HVO, that unambiguously point out that the situation is actually about typical clashes of two armies representing two different political options, that have been only superficially united by signing the Vance-Owen peace plan. So, the B-H Army speaks of the determination to fight for the establishment of the "legal authorities of the Republic of Bosnia-Herzegovina on the entire state territory," while the HVO speaks of the "preservation of borders of Croatian provinces according to the New York agreement." Of course, these are only variations on the early statements made by some leading people after the Vance-Owen plan had been signed, in which Alija Izetbegovic found the affirmation that "Bosnia-Herzegovina would not be ethnically divided, though," while Mate Boban assessed that "the document made it possible for the Croatian people to preserve historical Croatian territories, as well as the Croatian community of Herceg-Bosna."

Given such a lack of explanation regarding a range of questions that can be found in the New York documents, and even a sort of contradiction, the Vance-Owen plan has played the role of a catalyst for the situation in Bosnia-Herzegovina to get increasingly complicated, instead of its imaginary function of peace-maker. Immediately after the maps had been brought out, various calculations about who got how much territory, industrial facilities, mines, energy resources, and so forth, started to emerge. That way the international mediators in the peace talks on Bosnia-Herzegovina gave not only legitimacy to the trading of territories, cities, villages, the destinies of hundreds of thousands of people, but also tacitly gave the right to armed groups to interpret these documents in their own way, and to modify them by force, if need be. The central authorities of Bosnia-Herzegovina have been left neglected in the corner of events, while some of its highest officials have found themselves in an illogical situation where they constantly insist on their functions, even if certain of their deeds militate against the existence of the institutions of which they are themselves members. This refers above all to the candidates of the Croatian Democratic Community [HDZ] who view the political events in Bosnia-Herzegovina mostly from the safe distance of Zagreb, occasionally delivering dramatic statements about the destiny of their people in Sarajevo and Bosnia-Herzegovina, while waiting for some new New York, or Geneva talks on Bosnia-Herzegovina to come along.

A special position in the current events in Bosnia-Herzegovina belongs to the B-H Army structure, which has never been overjoyed about the proposed peace plan, and, as Sefer Halilovic puts it, "has never given up the aim of liberating Bosnia-Herzegovina in its entirety." In the situation where we have ineffective, and even confused actions of the central authorities, a considerable number of B-H Army officers, mobilized to defend Bosnia-Herzegovina as a civil union of three equal peoples, have emerged not only as a military force, but also as an important political force.

It is probably for that reason that the differences in the interpretations of many political events and clashes in central Bosnia are quite visible in the statements of the president of the Presidency [Izetbegovic], and the top man in the B-H Army [Halilovic]. Besides, since there are many other politically relevant factors which could not be placed in the narrow context of relations between the Party of Democratic Action [SDA] and the HDZ, the current clashes in Bosnia-Herzegovina cannot be definitely referred to as to clashes between Muslims and Croats. It refers above all to the political forces of the Tuzla region (with almost 70,000 Croats), in which there have never been conflicts, and where the election results prevented the SDA and the HDZ from dominating in the creation of political and national relations. One should also not forget the role of Franciscan church, some civil political parties, and perhaps the newly founded Croatian Peasant's Party in Sarajevo, whose goal is not Bosnia-Herzegovina chopped up into national territories (41 percent goes to the Serbs, 31 percent to the Croats, and 28 percent to the Muslims), but Bosnia-Herzegovina as a state that will, for a start, at least slightly resemble normal European states.

In view of all this, the causes of the conflict between the B-H Army and the HVO should be primarily sought in the different political concepts regarding the future configuration of Bosnia-Herzegovina, while the culprits should be sought among those political elements that had the opportunity to articulate a century-old joint life and mutual tolerance between Muslims and Croats in Bosnia-Herzegovina through an agreement. The responsibility is all the greater, since a political agreement was not reached even at the moment when the citizens of Bosnia-Herzegovina became targets of aggression and crime that has no precedent in human history.

Refugees Flee From 'Croatian Ethnic Cleansing'

AU0405184293 Paris AFP in English 1828 GMT 4 May 93

[Text] Vitez, Bosnia-Herzegovina, May 4 (AFP)—A bedraggled group of Moslem refugees turned up at the British base near here Tuesday seeking protection after being chased out of their village by Croatian ethnic cleansing.

Two families, comprising about 30 men, women and children, arrived from the nearby central Bosnian village of Kruscica with a battered pickup truck and their belongings mostly packed in garbage bags.

They told U.N. military officials here that local Croat commanders had ordered them to leave after bands of militia started roving the village in a campaign of killings and intimidation.

"They are shooting every day, every hour, every moment," said Hasan Cizmic, 36, who was shot in the left arm when he tried to take his car and tractor with him as he fled.

Officials of the United Nations Protection Forces (UNPROFOR) who had received guarantees from the

Croats that the Moslems would be safe in their village, tried to convince the refugees to find their own shelter.

But the Moslems, some of whom were hidden temporarily by their Croat neighbours in Kruscica before fleeing, would not be moved.

"I am not leaving. I have no where to go," cried one man. "If I had a place to go I would not be here."

UNPROFOR officials finally agreed to escort the two families to safe areas around the towns of Zenica or Kakanj.

Unescorted Convoy Reaches Gorazde, Town Shelled

AU0405160093 Paris AFP in English 1525 GMT 4 May 93

[Hugh Nevill report]

[Text] Sarajevo, May 4 (AFP)—Sarajevo's U.N. relief chief Larry Hollingworth told Tuesday how he shepherded a convoy through mines and shellfire into the eastern Bosnian town of Gorazde without help from the U.N. Protection Force.

Hollingworth said such unescorted convoys may become increasingly common if the Vance-Owen peace plan is implemented, bringing thousands more U.N. troops into the area to ensure peace in the battle-scarred former republic.

"I think this is particularly significant if we move into a genuine ceasefire or a genuine peace phase," said Hollingworth, head of the U.N. High Commissioner for Refugees operation in Sarajevo.

"If a military escort is an adornment to a convoy," he said, "I think I prefer pipes and drums, quite frankly," he added.

According to a spokesman, UNPROFOR escorts have recently been leaving some convoys to fend for themselves because their commanders refuse to submit to Serb inspection of weapons and ammunition aboard their armoured vehicles.

The prospect of such convoys being allowed to travel unescorted may be increased by implementation of the Vance-Owen plan, bringing an extra 70,000 U.N. troops into the region to reinforce the 7,000 here now whose main task is escorting relief convoys.

Hollingworth told how he accompanied the Gorazde convoy—driven by Swedish civilian drivers, and with no military escort—after being assured that Bosnian Moslem forces guarding the town were expecting them.

Hollingworth admitted that the convoy had been a potential target. "There was always the chance of—in my opinion a justified—ambush: we were just not announced," he said. "We were very, very lucky not to be shot."

After being accompanied through a mined roadblock by Bosnian Moslem soldiers, and amid heavy shelling in surrounding valleys, the convoy eventually reached the besieged town after nightfall, Hollingworth said. When they arrived, Hollingworth said, the town looked as though "a big hammer" had hit it, after being under Serb attack for the duration of the war in Bosnia-Herzegovina, now in its second year.

The town contains 50,000 people, 10,000 of them refugees, and another 20,000 live in nearby villages, he said.

He said the town was shelled while the team was there, and UNHCR spokesman John McMillan, who was also on the convoy, said the townspeople came under shellfire when they went out to look for the food dropped from planes.

"There have been increasing military attacks on Gorazde," McMillan said, with 200 shells crashing into the town on April 27, killing 10 people.

After detailing the Gorazde mision, Hollingworth said he would be prepared to try another convoy without an escort—next on his list is the eastern Moslem enclave of Zepa, which was under fierce Serb attack Tuesday.

But he warned that unescorted convoys may not become common until the Bosnian army increases its effectiveness in protecting the areas.

"Before I personally risk civilian drivers again, I will insist that the Bosnian high command improve its communications and gets its act together," he said.

Hollingworth's comments came one day before a meeting of the self-styled Bosnian Serb "parliament" due Wednesday to ratify—or reject the Vance-Owen peace plan for Bosnia-Herzegovina.

UN Reports Acute Food Shortage, Suicides in Gorazde

AU0405134993 Paris AFP in English 1311 GMT 4 May 93

[Text] Zagreb, May 4 (AFP)—Residents of the beleaguered Moslem enclave of Gorazde in eastern Bosnia, besieged by Serb forces, are suffering from severe food shortages, and an increasing number are committing suicide, the United Nations said Tuesday.

Gorazde is deprived of essential commodities, including flour, sugar and salt, Alemka Lisinski, spokeswoman for the U.N. High Commissioner for Refugees (UNHCR), said in Zagreb.

She said many of the town's inhabitants had lost up to 30 kilograms (66 pounds) in weight.

A UNHCR aid convoy managed to reach the enclave Sunday for the first time in the past month.

Members of the UNHCR team who left Gorazde Monday said an increasing number of elderly people were committing suicide there, Lisinski reported.

She said the western aid being airdropped over Gorazde daily was significant, but could not meet the needs of its 70,000 inhabitants, about 20,000 of whom are children.

The UNHCR is planning to send one aid convoy a week to Gorazde.

Serb forces surrounding another Moslem enclave in eastern Bosnia, Zepa, launched a massive assault Tuesday, capturing several villages, a Bosnian radio operator reported.

Croatian Forces Hold Mostar Under Siege

LD0305173193 Belgrade TANJUG in English 1610 GMT 3 May 93

[Text] Bileca, May 3 (TANJUG)—Croats have for days maintained a complete blockade around Mostar, the biggest town in Herzegovina, and fighting continues between Croats and Moslems in Konjic and Jablanica (neighbouring towns north of Mostar).

Croats have a monopoly over trade and the food supply for Mostar, and all roads to the town are closed, Moslem-controlled Radio Sarajevo said on Monday quoting a report by a Moslem unit from this region.

Moslem radio and television reporters from Mostar have not sent any reports for days. It is believed that the three reporters are under house arrest and that they are not allowed to send reports from this town.

Moslem-Croat fighting in Mostar continues. This was confirmed also by reports from Serb fighters who are holding positions above that town—they said that the shooting and explosions in Mostar have not stopped.

The Bosnian Croat Army command in the region of Konjic said that Moslem formations continue to attack Croat positions in Konjic and Jablanica.

A large number of Croat civilians from Konjic have fled to the region of the village of Turija. The Croat units which are in this region are completely cut off from their main forces.

The people who have fled to the woods and the Bosnian Croat Army are beginning to run out of food, but Serbs have allowed food to be transported to them through Serb-controlled territories.

Bosnian Croats and Moslems, until recently allies in the civil war against Bosnian Serbs, became engaged in heavy fighting for power in regions with a mixed Croat-Moslem population about a month ago.

Croats and Moslems are carrying out "ethnic cleansing" operations in these areas, which are part of the joint provinces in the Vance-Owen ten-province plan of future Bosnia-Herzegovina, and each claim that the other side has murdered hundreds of civilians.

Sarajevo HVO Brigade Commander Interviewed

93BA0928D Split SLOBODNA DALMACIJA in Serbo-Croatian 10-12 Apr 93 p 14

[Interview with Slavko Zelic, commander of the "King Tvrtko" Brigade of the Croatian Defense Council from Sarajevo, by Zeljko Garmaz; place and date not given: "Croats Sacrificed Because of Zuc"]

[Text] [Garmaz] Mr. Zelic, because you command the "King Tvrtko" Brigade of the HVO [Croatian Defense Council] from Sarajevo, you are competent to make an assessment of the situation in and around Sarajevo, from the military standpoint, of course. How dramatic is the situation?

[Zelic] Taking Sarajevo's military situation as a whole, it has been stable for a lengthy period. There have been no significant shifts of the line of demarcation. There have been some advances in defense of the city in the Zuc District, on the side of Vogosca, where units of the B-H [Bosnia and Herzegovina] Army have gone all the way to the Pretis Factory, and battles are being waged there now. That is really the only shift of the front in defense of the city.

At the same time, unfortunately, the Chetniks have attacked in the direction of Ilidza, Stup, Doglodi, and Azici, and that section is mostly occupied by the aggressor, although the fighting is continuing.

A Thousand Refugees

[Garmaz] Were those settlements with a predominantly Croatian population sacrificed on behalf of success at Zuc?

[Zelic] That conclusion is very easy to draw. Sarajevo is short of weapons, especially those that can be used against armor, so that the transfer of weapons from other parts of Sarajevo to the District of Zuc, where antiarmor action was being carried on, resulted in a weakening of the line of defense at Stup and the slope of Otes. In a decisive moment, when Azici and the free part of Stup were at issue, running the risk of the Chetniks emerging into the "Stup loop"—one of the most sensitive points of the city, and when it was realized that the Chetniks had taken practically half of the city by capturing those points, which are strategically very important, the materiel was again returned to that district, and the enemy's attack was halted.

[Garmaz] But with very high losses. How many were killed in those battles? That is, people are using the figure that more than 800 men died in Otes alone, some civilians, some soldiers.

[Zelic] Otes was in the zone of responsibility of the 3d Motorized Brigade of the B-H Army, and even one of our companies was involved in the defense. But the defense was very, very badly organized. We still do not know the exact number of civilian casualties. It has been said that there were some 100; however, according to our reports, there were 25 civilians killed and a really large number of casualties among fighting men who received in a clumsy fashion the attack of tanks, infantry, and artillery.

The case in September, the exodus of Croats from Doglodi, Stup, Bare, Azici, and Otes during the aggressor's first attack on that area, where 50 percent of the population are Croats, is also related to your question. Somewhere around 1,000 people from that area came to the city and were put up in facilities of the HVO. For something like two months, those people were under our protection, but the city authorities did practically nothing for them. Later, only Caritas became involved, and Merhamet to some extent, in helping the victims, while the Red Cross helped when their transport to Kiseljak was being organized.

This was the first case of a large group of people being refugees within a city district! The city was completely unprepared for anything like that. Every day we faced the fact that people have lost their housing to fire or to an artillery shell, but not to having 1,000 people left homeless in a short time interval.

[Garmaz] What actually happened in September when the front was opened at Stup, i.e., Doglodi?

[Zelic] There really are many stories, but the facts are these: The HVO of Stup, headed by Mr. Maric, maintained the "equilibrium" with the Chetniks, who were all around, by political rather than military means. That district was the zone of responsibility of the HVO. One action of the B-H Army in the HVO zone of responsibility resulted in an attack of Chetnik units, and that is going on even today. The fact is that the intervention of the B-H Army provoked the attack of the Chetniks.

Otes Razed

Nor was Stup organized from the military standpoint so that it might be defended. Mustafa "The Italian" Hajrulahovic, commander of the 1st Corps, said: "Who can trust the Chetniks? If at any point they had decided to pass through the units of the HVO, in a few hours they would have been at Cengic-Vila. We could not tolerate that situation!" So, it was evident in what way they took responsibility from the HVO. The result was horrible, especially for the Croats. From the military standpoint, that region was lost—Otes and Doglodi and Bare, and to a large extent even Azici, are in Chetnik hands.

There have been a large number of civilians killed, the population has been entirely driven out, and settlements are literally being destroyed. You have to see how Otes is being destroyed after first being completely looted. They are literally razing it to the ground!

[Garmaz] The halting of the Chetnik tanks some 20 days ago at Stup, according to many sources, is considered the final defense of the city. How was that done when we know that at that time you were short of antitank weapons, and what was the scale of the Chetnik offensive?

[Zelic] It was extremely critical and during the most critical night, I think that that was around 13 March, President Izetbegovic was on the first line of the front, at Stup, with Sefer Halilovic, commander of the Supreme Command of the B-H Army, and "The Italian," commander of the 1st Corps. I was also there. The conclusion was reached that the point could not be defended with the weapons the city had, i.e., that the "Stup loop" would fall. That was followed by lightning activities to obtain antiarmor weapons, and they were brought into the city. When the Chetniks, who were pressing with everything they had, saw the resistance offered them, they backed off, and now that line has been stabilized.

Not Enough Weapons

[Garmaz] For a long time?

[Zelic] You see, defense of the city is success for us. We cannot talk about any kind of offensive activities, because we do not have the weapons to offer opposition.

[Garmaz] Does that mean that this status quo, at least with respect to the hope of breaking through the ring around Sarajevo, is a reality?

[Zelic] Looking at the equipment and armament which the defenders possess, that is certainly the case. It is a great success to succeed in defending the city at all with the weapons available. The political atmosphere in which we live is another matter. Probably if there had been certain other political agreements, certain other political options, the city might perhaps have broken the blockade—either from outside or by an advancement of weapons that would have made it possible for those inside to operate offensively.

[Garmaz] What personnel does your brigade have? There is frequent speculation about the involvement of Croats in defense of Sarajevo.

[Zelic] We estimate that there are about 20,000 Croats in Sarajevo. According to figures from Caritas, it is said that there are even more than 30,000 Croats. There are also figures on the blessing of houses for Christmas, and on that basis it is estimated that there are about 20,000 Croats.

But now that you have asked about the strength of the brigade, this is an occasion for me to respond with that figure to Sefer Halilovic, who two months ago cited the figure that the HVO had between 50 and 60 people in the city's defense. The "King Tvrtko" Brigade certainly has more than 1,400 men, and about 1,000 of them are taking part in the defense, they have their own zone of responsibility, which I like to call the "Sarajevo Chinese wall," and they are on the right bank of the Miljacka.... So, the Croats consider Sarajevo their city, they are taking part in the defense, and it is very unpleasant to minimize the share of Croats in the defense.

A Stab in the Back!?

[Garmaz] How did Halilovic's statement affect the Croats?

[Zelic] It literally began a hunt against Croats! On the one hand, there were members of the B-H Army who "were disgusted" because the HVO had evaded going into combat, and on the other side members of the HVO were disgusted because they knew that this was not true.

[Garmaz] Have the conflicts in central Bosnia had an impact on the attitude toward Croats in Sarajevo?

[Zelic] If there were some conflict in central Bosnia, the pressure on us in Sarajevo would disappear. Not only on the HVO, but also on Croats in general! You know how it is—even in Sarajevo you have private and semiprivate armies and police and if it occurs to some pasha or hodza to mete out justice to implement certain statements by leaders in Sarajevo, the television journalist Senad Avdic...who have been casting the blackest aspersions on the HVO. The result was the attack on the city's Croats. This never occurred with the official authority at a higher level or the B-H Army; you know how it is when some group of 50 or 60 people begin to "mete out justice on their own." At that time, there was no one who could stop them. However, we never dramatized things, knowing what was involved. We think that this is a passing thing.

The products of the one-sided reporting of the Sarajevo media about the conflicts in central Bosnia, for which HVO units and policy are always proclaimed to be guilty, and there is also the cry: "The Serbs massacre us, and the Croats stab us in the back!"

We must not allow the Croats to leave Sarajevo, because that would be disastrous for overall Croatian political interests. Sarajevo is one of the most Croatian cities in Bosnia, in terms of numbers, intellectual potential, and institutionally.... It would make no sense to leave a city like that, which is the easternmost point of the Croats.

Izetbegovic Said Not To Represent All Muslims

93BA0911D Zagreb VJESNIK in Serbo-Croatian 5 Apr 93 p 6

[Interview with Mirsad Baksic, president of the Croatian Muslim Democratic Party, by Salih Zvizdic; place and date not given: "Izetbegovic Does Not Represent Us All"]

[Text] Mirsad Baksic is a colonel in the Croatian Army and a district government and military attorney. It is less well-known that he is also president of the Croatian Muslim Democratic Party (HMDS), which represents the interests of Croats of Islamic faith, but it is open to all, regardless of religion, who accept its program.

[Zvizdic] It seems that the HMDS in Croatia, but also in Bosnia and Herzegovina [B-H] is in the shadow of the Democratic Action Party [SDA] for Croatia.

[Baksic] There is some truth in your assumption, but the causes lie in imprecise identification of the two parties, and also in the fact—which I often emphasize—that in our region many people equate religion and nationality. They either do not know how to make the distinction, or they consciously do not wish to. And a portion of the Muslim intellectual landscape stands out among those who are muddying that clear water, intentionally confusing things. Which accounts for the prejudice that the SDA represents the entire Muslim people and that that people is politically undifferentiated, which is not true at all, because it would be an offense to the people.

Our party has been doing everything to correct those misunderstandings and to build bridges between Croats, both Muslim and Catholic, and the Muslims.

From the first day, we have distinguished ourselves from the SDA, not only in that we immediately recognized the enemy, but also in that we have done everything to mobilize and arm the Muslim people in the fight against the Serbian aggressors and units of the former JNA [Yugoslav People's Army]. A great deal of credit for that goes to Aziz Mikic of Zagreb, honorary president of the HMDS for life.

The HMDS is a Croatian party, and at the same time a Muslim party, which means that we represent the interests not only of Croats of Islamic faith, but also of Muslims who since 1968 have declared their nationality to be Muslims. It never occurs to me in this connection for us to alter the ethnic choice of Muslims, to interfere in matters of religion, or to impose our views on others. The fundamental definition of our party is contained in Starcevic's thought: "We are Croats, a people with two faiths, Islam and Roman Catholicism, which is not our difference, but our wealth," and that is quite different from the approach in the "Islamska Deklaracija" ("Islamic Declaration").

[Zvizdic] Much has been written about Izetbegovic's "Deklaracija" in recent days. What is your view of this?

[Baksic] I am certain that at this point Mr. Izetbegovic would very gladly renounce that piece of writing, because my position is that even he personally no longer believes in achievement of those goals, which are totally out of place in political terms, pure utopia, and not only do they confuse religion and nationality, but they are historically groundless. In a part of West Europe and the United States, and in some places even in our country, the opinion has been imposed that Mr. Izetbegovic is the representative of all Muslims on the territory of the former Yugoslavia, which is utter disinformation. Many of his moves during the war which proved to be cardinal errors were never accepted by the Muslim people.

How is one to explain that even on the third attempt this statesman did not succeed in clearly identifying the enemy, or how is it that he cannot recognize the enemy? That policy of wandering under the banner that all Muslims are behind Izetbegovic resulted in a certain crisis of identity of Muslims and Croats of Islamic faith. That is why our party calls upon its members, especially Muslims, to take part in all programs that have to do with the fate of B-H and its peoples.

[Zvizdic] Do you have specific proposals?

[Baksic] Yes. We want Jasmin Jaganjac and Armin Pohara, two fighting men who have distinguished themselves fighting for the freedom and independence of B-H, and Aziz Mikic, who can offer the authorities in B-H very worthwhile experiences, to be included in the General Staff of the Army of B-H and administrative bodies of the army. We especially wanted Mate Sarlija-Daidza, a major general who wants to help everyone who is really fighting against the Serbian aggressors, to be included in that army from the military standpoint.

[Zvizdic] Is an Islamic state in B-H possible in your view, and how much truth is there in the arguments about the emergence of Islamic fundamentalism as a point of support for the political program of a segment of the political leadership of B-H?

[Baksic] Such a state is unthinkable today on the territory of B-H. That is nonsense, because the B-H Muslims are Slav, Europeans, who with the exception of a handful of clericalists, fundamentalists, simply cannot imagine that someone would take them back to the Middle Ages with legislation derived from the shariah. As a secular party, we reject every possibility of applying the "Islamska Deklaracija," but at the same time we do not thereby intend to belittle or diminish our belonging to the Islamic cultural circle and our respect of the Islamic religion.

[Zvizdic] How do you look on conflicts between units of the B-H Army and the HVO [Croatian Defense Council] in central Bosnia?

[Baksic] I am convinced that this will soon cease and that the participants in the conflict will be ashamed of it tomorrow. At the same time, I am convinced that this is not a conflict between the Muslim and Croatian peoples, but a conflict of extreme individuals on whom "political programs" are frequently imposed by clericalists on both sides, and not uncommonly by war profiteers and criminals of various kinds as well. Those who stir up those conflicts or intentionally exaggerate their consequences are working directly for the Chetniks and are even worse than them. From the other side of the Drina, which divides two outlooks on the world, we have received only wars, misfortunes, and banditry, which is utterly contrary to Zagreb, whence roads lead to the freedom and democracy of Europe.

[Zvizdic] The opinion was expressed in a conference of the HMDS that there are too few Croats of Islamic faith, that is, Muslims, in Croatian Government bodies. What is your view of that?

[Baksic] I think that is true, and I find the reasons for that in a certain political color blindness which is manifested in a failure to understand a number of things. I say, and I will continue to do so, that these people need to be included in all the bodies of the Croatian Government, because that is also a form of community and a foundation of alliance between Croats and Muslims of the two peoples. Reasonable people assume that tomorrow, if God grants, there will even be a merger of the two states into one federal state, and the germs of that alliance are carried precisely by those people, who must not feel any trace of being neglected in Croatia.

[Zvizdic] Speaking about neglect, on several occasions the HMDS has even debated the problem of the certificate of origin.

[Baksic] We have talked about that problem to the highest government authorities in Croatia. We were given assurances that that was a transitional stage and that many obstacles have either been removed or are now being removed. Our party takes a strict view toward "paper Croats," and it wants the Croatian certificate of origin to go to those who deserve it.

[Zvizdic] How many Croatian Muslims and Muslims took part in the Croatian war for the homeland?

[Baksic] According to our records, more than 25,000 Muslims took part in the Croatian Army, and 950 were killed. That respectable number of participants in the war requires corresponding participation in the bodies of government, which must not be seen in any way as some kind of trading in concessions, but as a reasonable investment in the future that has already begun.

I would mention the case of Ekrem Mandal, who with his unit, which consisted mainly of Muslim Catholics and Muslims, made an immense contribution to the defense of Sisak. Even today, he is waging war against the Serbian aggressors with a renewed unit, which he has named the Handzar Division. And so, this Mandal still has not received his certificate of origin. That is hard to understand; it seems that some of the statutes in this area should be amended as soon and as thoroughly as possible.

In some units of the HVO in B-H, in the region of Gradacac and Brcko, for example, more than 70 percent of the fighting men are Muslims belonging to both nationalities, and I consider them a pledge to the alliance. But it is not clear to me why this is kept silent in some of the Croatian media. This is also being passed over in silence by OSLOBODJENJE of Sarajevo and radio and television. Who needs that?

[Box, p 6]

The Plan Is the Beginning

[Zvizdic] How does the president of the HMDS assess Izetbegovic's signature on the Vance-Owen plan and that plan in general?

[Baksic] I was pleased to hear that Izetbegovic had signed the plan. Although I know that that plan has quite a few shortcomings, I am convinced that it is a firm foundation on which a number of lasting political and other arrangements in B-H can be built. Our party, which is shot through with the spirit of peacemaking, advocated even earlier adoption of that plan as a historic step toward the last stage of working out interethnic and other relations on the soil of the sovereign state of Bosnia and Herzegovina.

Banja Luka Official on Security Situation

93BA0907B Belgrade INTERVJU in Serbo-Croatian 19 Mar 93 pp 22-23

[Interview with Predrag Radic, M.A., mayor of Banja Luka, by Jovan Babic; place and date not given: "No One Is Secure"]

[Text] The largest city in the Serbian Republic [RS], Banja Luka, is quite often represented in the world media and the "remainder" of the former Yugoslavia as the "duty scapegoat" for all the many troubles on the soil of the also former B-H [Bosnia and Herzegovina], a republic of "fraternal nationalities and ethnic minorities." "Verified figures" go out from here into the world and incredible media stories come back about violence to the non-Serbian population: murders, robberies, rapes, demolition of shrines....

What does the top official of Banja Luka Opstina have to say about that?

[Babic] Your opstina has a population of about 200,000 and more than 17,200 refugees. Insofar as it is possible in this difficult time of war, what grade would you give to their security?

[Radic] Banja Luka is the most secure city in the Serbian Republic, but still the grade would be mediocre—satisfactory!

[Babic] Explanation!

[Radic] Until recently, Banja Luka was within range of the battlefield—Prijedor, Kotor Varos, Jajce, Derventa.... Fortunately, it has not experienced destruction and large-scale killing. But many people have already spent two years "in harm's way." They, of course, bring their weapons, altered habits, views of life, and traumas with them. Mentally, they are frequently so changed that their parents do not recognize them. Some of them have become "quick" on the trigger. When you add to that the unavoidable "drink," the drawing of weapons is unavoidable. Most frequently they are fired into the air, although, unfortunately, there are also those others. This is mostly done by Serbs, and most of the victims are Serbs! That is only part of the explanation....

[Babic] There is another assertion going around: that Muslims, Croats, and others are in jeopardy, while Serbs are privileged....

[Radic] That assertion is nonsense! In a recent raid of the civilian and military police, for example, exactly 396 suspects were taken into custody. After routine checks, 186 were released, and 210 were held. In the group that was held, Serbs were the most numerous (97), then Muslims (74), and finally Croats (39). In spite of that glaring fact, the world media and the media of a part of the former SFRY (everyone knows which part!) "are charging" that all those arrested were Muslims and Croats. Soon, we would hear from the same media about the "250 Muslim and Croatian women apprehended and taken to parts unknown to be raped." I asked Mufti Halilovic and Monsignor Komarica, bishop of Banja Luka, what they think about this "discovery"? The mufti replied more or less that he would already have known about it if there had been so many as five taken away to parts unknown, much less 250, and the bishop said that he had not heard anything.

Even though anyone can see for himself that all 15 Muslim mosques, all four Catholic churches, and two Orthodox churches have been preserved, one prestigious citizen of Banja Luka told Carol Williams, a journalist for the TIMES, that "all Banja Luka mosques had been demolished." She went on and published it. No one even reprimanded her for such a lie. I recited this case to the Japanese military attache. He took his camera and photographed all the mosques; let us hope that he will publish the truth about them.

[Babic] Is there truth in the stories about "private armies" in Banja Luka, about their "employers," about the "justice" they are meting out?

[Radic] Those rumors get even to me, there is no official confirmation of such armies. Earlier, it is true, there were several groups. They were apprehended and sent to the battlefield by explicit order of Lieutenant Colonel General Momir Talic, commander of the 1st Krajina Corps. However, I do not mean to say that there are not armed and uniformed lads nevertheless roaming the peaceful city here and there, operating on their own and for someone else. They fire weapons, especially at night, they throw explosives at various buildings, they rob, they stop people, they abuse them. How, you ask, is all that possible? Well, it must be borne in mind that in this nightmare of war it is relatively easy to obtain a uniform and a weapon, that the city has been without street lights for months, that the best personnel of the SUP [Secretariat for Internal Affairs] are at the front, that households are without electricity.... (I last saw electric light in my apartment, for instance, back on 14 February!) Those are the circumstances that favor "night work" by violent persons. The danger of this, thanks to successful actions by the civilian and military police, has been considerably reduced, but not altogether eliminated.

[Babic] A curfew has been in effect at 2200 hours for months now in Banja Luka. What has been the experience with this form of limited movement from the standpoint of security?

[Radic] Mainly favorable! There has been an essential reduction in the number of people allowed unlimited movement like specters through the dark streets, and that has thereby reduced possible abuse of that movement.

Nevertheless, we have also had disagreements about that. Certain Muslim religious rites are supposed to be practiced during the curfew. Mufti Halilovic asked for his believers to be allowed to move at that time as an exception. We were unable to fulfill that request although we badly wanted to. Such exceptions, I explained to him are not possible even in Egypt, where, that country's defense minister acknowledged to me this summer, only police and military forces move freely during the curfew.

[Babic] What do you think about the influence of the news media, regardless of their origin, on the security situation in Banja Luka?

[Radic] Their influence is usually adverse. There are cases when we get equally malicious treatment from Croatia, Muslim-Croatian B-H, Serbia, and the rest of the world. Thus, one Belgrade weekly, formerly highly respected and favored here, published the other day that Muslims and Croats in Banja Luka are being all but murdered in the street, that only they are suffering and going hungry. That the city has given in to individual and government terror toward Muslims and Croats, that ethnic cleansing is growing rapidly, that property is literally being taken away from non-Serbian inhabitants....

If that newspaper was even a little interested in the truth, it might easily have obtained the datum that during 1992, along with the 4,228 Muslims and 3,713 Croats who left Banja Luka, 1,408 Serbs also left. That figure pertains to the Serbs who officially reported their change of address, but I am certain that the number of those who did not do that is twice as great. Perhaps they also "included" that number in the total extent of Serbian ethnic cleansing, because they have said nothing about who "cleansed" those 17,200 refugees that have settled in Banja Luka.

The decision on free exchange of apartments, private houses, and other real estate for those who desire it is still in effect here. No one, absolutely no one, has been driven from here with a weapon or by order of the authorities. When that kind of truth is not of interest to certain newspapers in the FRY, why should we be amazed at what foreigners write about us? With honorable exceptions, they seem to come here with their reports written in advance. After all, how otherwise to explain the recent "hit" of the "50,000 Banja Luka Muslims forced to move out," although it is well-known that in the 1991 Census they represented only 14.8 percent of the population of the opstina, which means 29,000 inhabitants. The Serbs represented about 60 percent and the Croats 15.4 percent....

UN-Brokered Cease-Fire in RSK Soon To Take Effect

LD0405164893 Belgrade TANJUG in English 1608 GMT 4 May 93

[Text] Geneva, May 4 (TANJUG)—An agreement on ceasefire in the United Nations Protected Areas (UNPA) in the territory of the former Yugoslav Republic of Croatia stands a fair chance of taking effect soon because the Croatian side has agreed with the conditions set by the Serb side.

After meeting with Commander of the United Nations Protection Force (UNPROFOR) for former Yugoslavia General Lars-Eric Wahlgren, Croatian Defence Minister Gojko Susak agreed on Monday evening that the Croatian troops be withdrawn ten kilometres from the border between Croatia and the republic of Serb Krajina (RSK), TANJUG learned from well-informed sources of the Geneva conference on former Yugoslavia.

The RSK was proclaimed in 1991 in response to Croatia's secession from the former Yugoslav Federation.

Last spring, the RSK territory was placed under U.N. protection and on January 22 the Croatian Army launched an attack against it. The offensive is still under way.

The Croatian side also agreed that UNPROFOR should step up control in demilitarized areas, said the sources.

The RSK can now call a parliament session to approve the ceasefire agreement, which was signed by a RSK delegation in Geneva on April 6, said the sources.

The ceasefire will take effect four days after the agreement is approved by the RSK Parliament and within the following ten days Croatia will be obliged to withdraw its troops from the territory seized after January 22, in keeping with United Nations Security Council Resolution 802.

Croatian forces on Tuesday resumed artillery and tank fire on positions of RSK fighters in the Central Adriatic hinterland, reported TANJUG's correspondent in the RSK centre of Knin.

Serbs Claim Croatian Forces Attack Benkovac

AU0405192493 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 4 May 93

[Text] We just received the following report from Knin:

The Krajina forces command in Knin reports that Croatian forces started a strong artillery attack on Benkovac at about 1830 [1630 GMT] tonight. The old part of the town was hit by a dozen projectiles fired from long-range artillery by 1900. The Krajina forces command does not have information on material damage, possible fatalities, or the wounded residents of Benkovac. General danger has been announced because of this sudden attack by the Croatian forces on Benkovac and the broader area.

Serb Artillery Kills 4 Croat Soldiers in Dalmatia

LD0405155393 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 4 May 93

[Text] Four members of the 53d Home Guard Brigade from Biograd were killed and one was seriously wounded in a Serb artillery attack launched last night from the occupied village of Kakma against the defenders' positions in the Biograd hinterland. This morning the area was quiet but the enemy began attacking again at 1200. The enemy is launching sporadic attacks against the villages of Kasic, Islam, Paljuv, and Smokovic in the Zadar hinterland and the villages of Rastani and Jankolovica in the Biograd hinterland.

Wahlgren Holds Talks With RSK Delegation in Knin

AU0405153793 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 4 May 93

[Danko Peric report from Knin]

[Text] The Croatian Army continues to attack most parts of the northern Dalmatian front. Artillery fire was opened on Rasvrsje in the direction of Obrovac. The General Staff of the Serbian Army reports that on the Novigrad part of the battlefield, villages in the vicinity of Novigrad and Benkovac were fired upon.

Infantry and artillery fired at Krajina positions in Donja Jama and other places in Banija, while in eastern Slavonia, (?Ostrovo) was fired upon. The UNPROFOR [United Nations Protection Forces] head in the former Yugoslavia, Lars-Erik Wahlgren, and his associates arrived in Knin. Talks with a delegation of the republic of Serbian Krajina headed by prime minister Djordje Bjegovic, General Mile Novakovic, and interior minister Milan Martic, are currently in progress. A regular session of the Krajina government is to take place this afternoon. It has been announced that numerous security and other pressing issues will be analyzed at the session. A new state committee for relations with UNPROFOR will be appointed.

Prime Minister Details Government Program

LD2904194593 Zagreb Radio Croatia Network in Serbo-Croatian 0855 GMT 29 Apr 93

[Speech by Prime Minister Nikica Valentic to the Chamber of Deputies of the Croatian Assembly in Zagreb, explaining his government's program prior to confidence vote—live]

[Excerpts] Mr. President, ladies and gentlemen: Since an item on the agenda is the presentation of the new government, and since the item is perhaps slightly narrower then this presentation, I will feel free to outline briefly the government's economic program and measures from the stabilization program which the government has already been implementing, so that after a brief report on the economic program, we can conduct a vote on confidence in the government, because if the government is introduced formally, then only a list of names of deputy prime ministers and ministers will be read out, and I believe that this would not be satisfactory.

So please allow me to say briefly a few words about measures which, I repeat, this government has already been implementing.

I must start with an assessment of the current state of affairs—which I already did yesterday—not in order to see the depth of the crisis as an alibi for this government and for me, but in order to brief you, the deputies of this noble and esteemed house, and the entire population about the objective situation, primarily the economic situation in which our country finds itself.

I am obliged to do this for personal and moral reasons and because I, as prime minister, and this government—if it obtains the vote of confidence—will have to undertake painful and, unfortunately, noncosmetic measures. I will try to be as brief as possible, and I will speak clearly and openly in order to make myself understood.

The existing state of affairs can be summed up as a state of high inflation, which has already assumed proportions of hyperinflation. This high inflation synthesizes all our problems, and with all inbuilt generators, threatens to turn into hyperinflation which will bring into question the implementation of the government program.

The lack of financial discipline has assumed proportions of anarchy—I state this with full responsibility—and it threatens to cause general chaos in the financial affairs and to generate processes which, in the form of criminal activity, could destroy the young tissue of our young state.

The lack of financial discipline is a consequence of the economic structure which assumed a nonmarket orientation during the past 40 years. Today the economic structure is almost the main reason for grey [sivo] money-issue, the lack of discipline and inflation. According to our estimates, the lack of financial discipline and the grey market generate two-thirds of the inflation, and in practice are implementing two-thirds of state monetary policy, which by itself shows which hotspots we have to tackle. [passage omitted]

On this occasion too I would like to say a few words about putting brakes on inflation.

As you know, the government does not create monetary policy. It is the national bank and its council, and it is to the assembly to which the national bank is accountable. However, the position of the council of the national bank coincide with the government position that monetary policy must be considerably more restrictive regardless of the fact—I repeat—that this is not the main cause of inflation, and the national bank unfortunately does not control the main bulk of monetary transactions in the country.

As far as fiscal policy is concerned, we must say publicly that the public debt, that is the overall state debt and the public sector debt, is the main problem. Without servicing the public sector debt from real sources and without repaying the public debt at least in part , this anchor cannot fulfill its role.

Regarding wages policy, it is clear that salaries are a substantial part of the stabilization program, but it is also clear that salaries have reached the level below which any further fall would most likely lead to further social tensions, which in turn would have counterproductive effects on the implementation of the stabilization program. The government is aware that unless it retains at least this level of salaries in real terms, the implementation of its program would be brought into question.

However, ladies and gentlemen, I must say that the first prerequisite to retain this level of salaries or to raise them, which is our goal, is to raise productivity and this is the key objective of this government, about which I will talk later on. [passage omitted]

The energy industry and the energy situation in Croatia, specifically in Dalmatia—I believe you all know about it, and I do not want to tire you but I have to say that we have been undertaking all daily and macroeconomic policy measures to neutralize an energy crash and collapse which could have catastrophic consequences for the Croatian economy. We have undertaken a series of measures, and after analyzing the situation, we can say with full responsibility that, judging by the current situation and by activities aimed at completing the hydroelectric power stations of Peruca and Dubrovnik, and by the amount of already concluded business deals about [word indistinct] and thermoelectric power stations, there will be no shortfalls in Dalmatia from 1 July, unless the political and war conditions are exacerbated in Bosnia-Herzegovina.

I must warn that the situation is not ideal in other parts of Croatia. The Croatian electricity industry owes a lot of money, mainly as a result of price differentials. We are doing everything to ensure that there are no shortfalls in other parts of Croatia. We will inform the public and the assembly regularly about this. [passage omitted]

I want to say a few words about the strategy of economic development because only a qualitative and long-term development strategy can provide a framework for this stabilization program. This stabilization program is a means, not an end. The aim is development, a modern market economy, and improved standards of living.

The government has started to work on an economic development strategy. I can say even now that agriculture and tourism above all, and also the oil industry, transport, trade, and other branches in which Croatia can compete on world markets are our absolute priorities. There is no way that Croatia can compete nor does it want to compete with its steel industry, in high-technology, or in the electronics industry because we do not have comparative advantages in these areas. [passage omitted]

We are often asked what this government can promise. I always say what I am about to say here. This government guarantees that an energy collapse cannot occur because we already have sufficient reserves of domestic and imported natural gas, sufficient reserves of oil derivatives, and sufficient reserves of wheat, so a collapse cannot occur and there can be no shortages of basic food articles and there can be no shortages.

Apart from this, ladies and gentlemen, everything else depends on developments in Croatia and on international support for this program.

Financial discipline, about which I have already spoken, cannot be strictly implemented—we must say this openly—because strict financial discipline will lead to a chain of bankruptcies in a series of enterprises, with consequences which we could not alleviate with welfare measures.

One thing is certain. There will be significant changes and it is certain that a significant number of enterprises will not be able to survive these measures, that some will go bankrupt. [passage omitted]

I must say that apart from a few exceptions, we shall not allow mass exemption from taxes and contributions, no enterprise is so important as to deserve to be in a position to undermine the economic system directly.

In order to succeed in implementing these measures, which will be painful and unpopular, we must create both the impression and the conviction that this program is original and consistent and that our policies are credible both internally and internationally. It is very important that we, as the government, as the ruling party, as the entire assembly, and as the people, believe in this program, because we must reach a minimum consensus if we want this program to succeed. I do not mean here just a consensus of political parties, but a consensus between trade unions, the Chamber of Economy, and the government, because without this consensus the chances of the program succeeding, which are not very good as it is, are considerably smaller.

In this context, as soon as next week, we will have contacts with trade unions and with the Chamber of Economy to see what is the minimum consensus necessary for the implementation of this program. [passage omitted]

I must say here a few words about the problem of denationalization [denacionalizacija]. Enormous pressures are being extered on us both from within the country and from abroad to start the process of denationalization. The Justice Ministry is receiving a huge number of petitions, and the government is receiving official demands from neighboring countries in connection with the return of nationalized property.

I must say with full responsibility that this government must assume a calm and analytical approach to this problem, because rushing and haste in tackling this problem could almost bring into question the very stability of the state. We do not rule out a discussion about the restoration of property. The government will start to submit some documents, but we warn that we cannot harbor false illusions that we can restore all property. I believe that the government will follow President Tudjman in granting partial monetary compensation. I am only mentioning this to show that the government must and intends to do something about this.

I have already mentioned that within the framework of the overall privatization we must aim to achieve total privatization, including privatization of media, because enormous pressure, including malicious pressure, is being exerted along the lines that we are very rigid in this area. I believe, and I assert this with full responsibility, that Croatia has achieved a relatively high degree of democartization of the press and of all media for a country at war. However, there can never be too much freedom and democracy, and the government is advocating even greater democratization and privatization of media, including the electronic media. However, this a complex legal process, and the government will submit bills to the Assembly at a later date. [passage omitted]

Drawing up the demarcation line between local self-administration and central government is another government task. We are witnessing very complex problems regarding the constitution of representative assemblies and bodies of local administration and self-administration, problems which would be considerable even in conditions of peace. I ask you here to provide the maximum degree of help and cooperation, because it is not possible to constitute such a large number of bodies of local administration and self- administration smoothly in just a few months.

The legal protection of citizens must not be just a phrase. Without instructions on how to strengthen measures of legal protection and the law-governed state, we have no chance. [sentence as heard] As for legal protection, the functioning of the law-governed state and the honoring of all legal regulations depends on whether we implement this policy and whether we can successfully combat crime. [passage omitted]

I must also say that although this government will use all diplomatic means to end the war and to restore sovereignty over the entire Croatian state territory, this government has in essence developed a program of war economy, which is being developed further. Its basic assumptions are war production, inflationary supplementation of the budget, and distribution.

We hope not to have to activate this program, but I must say with full responsibility that we are also preparing it.

Finally, the final goal of these measures is a market economy, free enterprise, and the rule of law as the basic principles of the free world, and not just as phrases but as our living engagement.

Ladies and gentlemen, I tried to be as brief as possible, because these points can each be a subject of separate debates. The government will soon present an integral program of the development strategy and of instruments necessary to implement the program. [passage omitted]

I will propose the government to you and ask you to pass a vote of confidence in it after the debate.

The following are in the government, in which I have been appointed the prime minister:

Vladimir Seks, Mate	Deputy Prime Ministers
Granic, Borislav Skegro	
Ivan Jarnjak	Minister of Internal Affairs
Gojko Susak	Minister of Defense
Zdenko Skrabalo	Minister of Foreign Affairs
Ivica Crnic	Minister of Justice and Administration
Zoran Jasic	Minister of Finance
Ivan Cermak	Minister of Industry, Shipbuilding, and Energy
Ivan Tarnaj	Minister of Agriculture and Forestry
Vesna Giradi-Jurkic	Minister of Culture and Education
Juraj Njavro	Minister of Health
Josip Juras	Minister of Labor and Social Welfare
Branko Jeren	Minister of Science
Zlatko Tomcic	Minister of Construction and Environmental Protection
Ivica Mudrinic	Minister of Shipping, Transport, and Communications
Niko Bulic	Minister of Tourism and Trade
Cedomir Pavlovic, Ivo	Ministers Without Portfolio
Majdak, Zlatko Matesa	

Mr. President, ladies and gentlemen, I ask you to support this government. We are accountable both to you and to the entire Croatian nation. Thank you very much.

Prime Minister Explains Economic Guidelines

AU0305110293 Zagreb VECERNJI LIST in Serbo-Croatian 21 Apr 93 p 3

[Unattributed report on the news conference by Prime Minister Nikica Valentic in Zagreb; date not given: "One Has To Be Patient"]

[Text] Zagreb— After he had visited Zagreb Trade Fair, Prime Minister Nikica Valentic, obviously satisfied, said that the first effects of privatization had already started to emerge, which was confirmed by a great number of private firms among the exhibitors at this year's international trade fairs. "If we are able to continue with the market economy, I believe that the spring fair next year might be the best in the history of the Zagreb Trade Fair, because one cannot expect miracles to happen before next autumn," Valentic said. After that, at the news conference he also spoke of the latest measures taken by the government.

"The government did not have time for theorizing, but it had to start immediately with cuts, although aware that such a policy is quite unpopular. For our people it was important to stop the negative tendencies. Croatia happens to be in a very difficult international situation, which is now reaching a climax—the referendum in Russia, the isolation of Serbia and Montenegro, the attacks on certain regions in Dalmatia, which is part of a propaganda war, the war in Bosnia-Herzegovina.... Despite all that, we are opening to the world, and going for a complete privatization, and also for the implementation of market economy principles, with all the social consequences that may ensue," Valentic said.

"The first measure of the market economy pursued by the new government is the abolition of loans for agriculture, because they are a remnant of the old socialist economy, and nothing more than money printing. Instead of those loans, the government has released some resources to support the spring sowing without having to print the money. The second step is the beginning of investment work. It is not about classic public works for which Croatia has no money, but rather about investment works, which means the state's selecting local concessionaires who will later obtain, instead of profit, a good deal of stocks regarding the projects in construction. When the works start, capital will also start pouring in from abroad," the prime minister believes.

"The third step is the latest increase of prices, because prices cannot be a means of pursuing social policy. We know for sure that even well-to-do people were buying brown bread, while many people used it for feeding swine and poultry. Brown bread has now a real price. At the same time the social program has to start working effectively, which means that those who are not able to buy brown bread, or milk, or to pay their overheads, should be given money by the state to do so. We ensured 200 million German marks for the social program this year, which is enough to subsidize around 200,000 families, that is to say, 800,000 people. The rise in prices will mostly affect the middle classes, which are not entitled to state subventions, but have scant wages. However, Croatia—if it wants to get out of the crisis situation—has to provide a minimum subsistence for its citizens. This consists of bread, milk, electricity, and a chance to earn some more money by additional work. In other countries the shift from socialism into modern capitalism is causing shocks as well. There is no such country in the world that is not paying for oil, electricity, transport... the real price. The Croatian Electro-Supplies has 150 million German marks of debts, which increase daily, while the latest price cannot cover all the expenses either. Electricity must have its price, the only question is who can pay it.

"The government intends to activate production by stimulating those firms that have chances on the international market. Croatia is a small country, and the estimates are that more than 60 percent of goods must be exported, because there is simply no space for them. At this moment, Croatia is negotiating with the World Bank about a $125 million loan, however, it has not been approved yet," Valentic said, and added that they intended to stimulate spending by stimulating production, because to print extra money would mean a catastrophe.

"Our people must be aware of the situation, however, I maintain that there is no reason for depression, because if we persistently continue to fight all the fictitious loans, fictitious privatization, black market... we shall overcome the crisis. Public firms, such as the Croatian Electro-Supplies, the Croatian Railroads, the Oil Industry [INA], and health care, have been the pillars of the social policy. They are threatened by collapse, so we have no other choice than to provide the conditions for their further work. The public debt and the internal debt have reached the level of annual gross national product—with the issue of old hard currency savings, it amounts to $10 billion. That is the heaviest millstone around Croatia's neck. The foreign debt is around $2.8 billion, and Croatia could cope with it. However, it is the internal debt that stimulates the lack of financial discipline and inflation," Valentic said, and forecast that if Croatia had consistently stuck to all the measures, by the end of the year the inflation might have dropped to 12 or 13 percent.

"As for the old hard currency savings included in the public debt, Croatia has no chance of repaying them right now, because that would double inflation. The government cannot guarantee the money for the payment of interest on the old savings either, however, it will stimulate all forms of reducing the old savings by buying apartments, stocks, while we also do not exclude the possibility of selling the old savings on the stock market.

"The moment when a Croatian citizen can buy hard currency in banks, we shall be able to say that we have defeated the crisis. That will probably happen, if the war stops, next autumn, after a good tourist season. Until then, one has to be patient," Valentic concluded.

German Envoy Says RSK To Receive Guarantees

LD0405223693 Belgrade TANJUG in English 2203 GMT 4 May 93

["Pool" item]

[Text] Geneva, May 4 (TANJUG)—Ambassador Geerd Ahrens of Germany who, together with Herbert Okun of Finland, co-chairs Geneva talks on the U.N.-protected republic of Serb Krajina (R.S.K.), on Tuesday said R.S.K. President Goran Hadzic would later this week receive guarantees for the creation of a demilitarised zone around the U.N.-protected territory. Ahrens told a press conference he believed the problem existing between the R.S.K. and Croatia could be solved, and that guarantees requested by Hadzic might be given in the course of the week. The R.S.K. was proclaimed in 1991 by the local Serbs in those parts of Croatia where they are the majority population or a significant minority, in response to Croatia's violent secession from Yugoslavia. TANJUG learns from well-informed sources at the Geneva conference that Croatian Defence Minister Gojko Susak consented on Monday evening, after a talk with the Commander-in-chief of the U.N. Protection Force (UNPROFOR) in former Yugoslavia, Gen. Lars-Eric Wahlgren, that the Croatian Army withdraw 10 km away from the R.S.K. borders.

Ahrens said that the Croatian delegation's refusal on Tuesday afternoon to resume the dialogue because of the R.S.K. Army's attack on Biograd-na-Moru did not mean discontinuation of the talks.

The German ambassador said he was convinced that, after receiving the additional guarantees, the R.S.K. Parliament would ratify the ceasefire agreement signed by the R.S.K. delegation at Geneva on April 6. The agreement has originally been rejected.

Ahrens said, however, that the R.S.K. was part of Croatian territory and could negotiate only about autonomy and not independence.

He said that efforts to resolve the Serb-Croatian problem in the R.S.K. could be expected to progress to the extent that the Bosnia peace process progressed.

The ceasefire agreement reached under Resolution 802 of the U.N. Security Council will go into force the moment U.N. Secretary-General Butrus Butrus-Ghali gives the word that the sides to the conflict have confirmed their readiness to withdraw their police from areas where UNPROFOR troops should be deployed.

The resolution also orders the Croatian Army to withdraw from the territories occupied in an aggression launched on January 22.

Canada To Back Extension of UNPROFOR Mandate

LD0405085293 Zagreb Radio Croatia Network in English 0805 GMT 4 May 93

[Text] At last night's brief news conference the Canadian Secretary of State Barbara McDougall stated, following the talks she had with President Tudjman on the current issues concerning Croatia and Bosnia, that her country will push for the extension of the UNPROFOR [United Nations Protection Force] mandate in Croatia. She added that Canada would like to see Croatia influence all sides in the Bosnian conflict to end their hostilities, centering on the areas where Croats are in the majority.

Exodus of Istrians Leaves Istria Deserted

93BA0917B Belgrade VREME in Serbo-Croatian 5 Apr 93 p 61

[Article by S.C.: "Exodus: Istria Abandoned"]

[Text] The only topic on which the Slovenian REPUBLIKA reports from the FRY in the 20 March issue has to do with the exodus of experts. Under the headline "I Really Lost Everything, Even My Dreams," this weekly cites some of the figures VREME wrote about in the previous five installments.

In the same issue, on the second page in fact, REPUBLIKA has another article about people moving out. They report from Rijeka about the migration of inhabitants of the Croatian part of Istria. There is no report from the Slovenian section of that peninsula or from any other part of Slovenia.

Over the last two years, one out of every 10 inhabitants of Istria has moved out of Croatia. In all, they number about 20,000. They, like those who until recently were their fellow countrymen from Serbia, were forced to that by war, unemployment (at least 9,600 are waiting for jobs at the moment), and hyperinflation. Most of them, again, then, as in our case, with a high school education, although there are also quite a few specialists with higher education. The latter did not want to work for 100 marks or to wait for months for a job. Just like in Serbia.

The representatives of the Italian Union say that most of those who have left Istria are Italians. They talk about a new exodus of that nationality. They are disturbed by the large number of applications for employment in Italy, many of them signed by Croats who "feel themselves to be members of the Italian culture." The "true Croats" call them traitors. Perhaps there in Italy they will see some former Yugoslavs, when they cannot do that here. According to the figures of the Foreign Ministry, Italy is supporting about 2,100 citizens of the SFRY, and their Ministry of Internal Affairs has approved 9,000 applications for residence of former Yugoslavs.

Most of the Istrians in Italy have moved from Buje—2,000, and from Buzet—500. Almost all are young. Digitron of Buje had to cut down production because of the shortage of personnel. Istria's politicians have no solution for the new problem that has arisen.

The Italians who have remained in Istria are upset because of the low wages, considerably lower than they are entitled to following revisions of the Osimo Agreements. The Croatian Government justifies itself by saying that the other inhabitants of "our beautiful" [land] are not living better than Italians in Istria. They also say that many university professors, scientists, physicians, and nurses have left Croatia. So the cries from Istria are mainly perceived in Zagreb as pressure on the government.

There is a great fear of Istria's Italianization. The names "Italians" and "irredentists" are again being heard in Istria....

For all these reasons, there is no doubt that the situation in Istria will become still more tense: Croatia is far from getting out of the crisis and the war, the number of unemployed is increasing, salaries are dropping.... And certain "hawks" are not precluding the possibility that in Istria, after the seventies, a new "Lobbying Republic" might arise.

The close similarity of the destinies of the present Serbian and Croatian emigres quite certainly will not console either the one or the other. It is quite possible that it will not even put them in a good mood.

Minister Hopes Karadzic's Signature Will 'Hold'

AU0305154293 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 3 May 93

[Excerpt] Foreign Minister Lojze Peterle held a regular monthly news conference today at which he spoke of his work and the work of the Foreign Ministry. Edo Zitnik reports:

[Begin recording] [Zitnik] At the beginning Peterle summarized the foreign relations activities in the past month fact by fact, which have already been covered extensively by the media in the meantime. The only new element was Slovenia's official stance toward yesterday's signing of the peace plan in Athens:

[Peterle] Regarding yesterday's signature by Mr. Karadzic [president of the Serbian republic] I can only say, that is to say, I can express hope that after numerous meaningless signatures, this signature will actually bear some weight. Of course, you known that this signature is linked to other decisions; therefore, it is difficult to predict or foretell what will be the actual and final importance of this signature. It is in our interest, however, that this signature hold. [passage omitted] [end recording]

Defense Minister Reaffirms Readiness for Self-Defense

AU3004160193 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 30 Apr 93

[Marjan Dora report]

[Excerpt] The young soldiers of the newly formed 76th Antiarmor Division were sworn in in Murska Sobota today for the first time since Slovenia has became independent. Numerous parents, friends, and girlfriends of the soldiers were addressed by Defense Minister Janez Jansa. Jansa remarked critically that the politicians did not allocate in this year's budget as much money for defense requirements as in previous years, despite the fact that we are still in the process of building up our defense capability.

He assured the soldiers, however, that despite the reduced funding, they will be provided with at least tolerable conditions during their training.

Jansa holds that self-defense is one of the basic conditions for the preservation of a state's independence and integrity, especially because Slovenia is on the brink of the Balkan crisis and also because of some other recent events concerning our state.

[Begin Jansa recording] You belong to a service that is one of the most important in our defense strategy. Therefore, our collective readiness will depend greatly upon you. This is very important, because, as I have already said, we are a young country on the brink of the Balkan crisis, and we live in times when certain border issues with Italy and Croatia are again being raised overzealously. I must repeat here Slovenia's well-known position that the border with Italy was established by the Osimo Agreements, and that while there are some controversial areas in the border with the Republic of Croatia, these must be resolved through bilateral talks. If these talks fail, then through international arbitration. This is our approach and our choice.

If someone was to opt for a different approach, however, he would have to face the responsibility and the consequences. Namely, the Slovene Army will defend Slovene territory and the state against anyone who might threaten it. [end recording] [passage omitted]

EC Loans To Modernize Transportation System

93BA0918B Ljubljana DNEVNIK in Slovene 9 Apr 93 p 24

[Article by Romana Spende: "Stimulating Injection for Roads"]

[Text] Up to 150 million ECU's [European Currency Units] in loans through a transportation agreement with the EC; another ECU20 million in nonrepayable subsidies for individual links that are important to Europe.

Ljubljana, 9 Apr—A financial protocol within the framework of the transportation agreement that Slovenia and the EC have signed makes it possible for our state to receive ECU150 million through the European Investment Bank during the next five years for investments in the road and railroad infrastructure. The terms were very favorable, and the same as those received by other EC member states.

Slovenia would use the loan for the valuable Koper-Trieste-Ljubljana and Slovenska Bistrica-Maribor-Lendava-Hungarian border road links, and for modernizing the railroad network and a direct link with Hungary.

"The transportation agreement deals with transportation in general and the appropriate development of the infrastructure," said Slavko Hanzel, state secretary in the Ministry of Transportation and Communications, "and the priority directions listed have been coordinated from the standpoint of our needs and the interests of neighboring states that are members of the EC. The choice of priorities is left to our state, but the profitability of those links has to be ensured." The Community and Slovenia gave priority in the agreement to the highway from the Italian border to Sentilj through Postojna, Ljubljana, Celje, and Maribor to Lendava through Slovenska Bistrica, Ptuj, Ormoz, and Ljutomer, the railroad line from Jesenice to Dobova with the section to Sezana and the line from Ljubljana to Maribor, the highway from the Karawanken pass to Bregana through Ljubljana and Novo Mesto, and the Maribor-Ptuj-Macelj highway.

In an addendum, the financial protocol also provides for nonrepayable subsidies for guaranteeing bank loans for the construction of individual routes. For this form of assistance, 20 million ECU has been allocated, but for links (some of them) which are not priorities for Slovenia, but are important for neighboring states: the Karawanken-Bregana, Sezana-Sentilj-Slovenska-Bistrica-Lendava, and Maribor-Ptuj-Macelj highways, and the Jesenice-Dobova and Ljubljana-Maribor railroad lines. If Slovenia wanted to use part of the loans to finance infrastructure not cited above, it would not receive guarantees for this. Otherwise, the EC and Slovenia are expected to evaluate in January 1996 how the construction of the transportation infrastructure is going, and on that basis our state will possibly obtain some additional assistance.

Critical Analysis of Current Economic Policy

93BA0918C Ljubljana MLADINA in Slovene 6 Apr 93 pp 36-38

[Interview with Dr. Joze Mencinger, former Slovene economic minister, by Stanislav Kovac; place and date not given: "If They Sneeze in Germany, We Catch a Cold"]

[Text] Are the government promises of an interventionary law for the economy mistaken promises? Is the fear of the development of a mafia currently justified in Slovenia? Who are the new generation of entrepreneurs who are driving BMW's, the most current brand of automobile here? Dr. Joze Mencinger, an economic analyst at the Bajt Institute, not only answers these questions, but also explains why in the future Slovenia can catch cold if people only sneeze in Germany.

[Kovac] In April 1991 you left Peterle's government, in which you were an economic minister, primarily because of the disagreements that occurred over the concept of privatization. Today, after two years have passed, when the economic consequences of independence are more and more apparent, can you add any unknown reason to the one that is already known?

[Mencinger] In principle, the conflicts occurred because of disagreements over the privatization concept. There was also something else, however. I say that many things were being done behind my back, which was the direct reason for my resignation. Bringing Sachs to parliament at a time when I was abroad and publishing the new concept of privatization, even though the old concept was officially the government concept, was that kind of behavior. I also admit the possibility that my resignation was partly dependent upon the positions of the coalition parties, which were very dissatisfied with me, especially because of my attitude toward independence. I always saw independence as a process that would allow us to build a new and better economic system, and introduce a more effective economic policy than the previous one. We also achieved that during the period of my work in the government. I even maintain that it was precisely in the macroeconomic area that we were best prepared for independence. In political circles, I kept warning about the price of economic independence, and it was not even dreamed that such serious political consequences as today's bloody war could occur. In response to my warning, it was felt that I was not enthusiastic about independence, and on the other hand there were people in the government who did not even think about the economic consequences of independence.

[Kovac] The period of independence was also marked by several "conspiratorial" financial transactions within the government, e.g., holding onto customs duties, forming foreign exchange reserves out of the budget, and the Slovin scandal. Could your reluctance to participate in such transactions also be considered a reason for your resignation and also the resignation of Finance Minister Dr. Mark Kranjc?

[Mencinger] I must say that we were both completely inexperienced in that respect. Dr. Kranjc, as a frank person, told me several times: "Joze, if we stayed in the government for a long time, we would become very similar to the rest." We also knew very little about any sort of preparations for independence in other areas. I could say that in the economic area we headed toward independence along one track, and in other areas along another one. I quite certainly would not have been able to sign an agreement with Markovic that I would pay the customs duties, while knowing that I would not pay them. Not only would I not have wanted to, but I would have been incapable of doing such things. In that context, the resignation of both ministers was perhaps very useful, since Dr. Kranjc's views of that are very similar to mine. In fact, we both believe that it is necessary to create a normal economic system, within which people can maximize their benefits or profits, and a sort of conspiratorial approach, which especially bothers me in Slovenia, is very foreign to us. Most people think about what someone meant when he said something, and not about what he actually said.

[Kovac] Two years after these events, in the February issue of GOSPODARSKA GIBANJA, you summed up the events in the Slovene economy from independence until today with the thesis of "turning in circles." What sort of turning in circles is actually involved?

[Mencinger] The main reason for falling into the circle was the loss of the Yugoslav market. It was followed by a large reduction in demand for Slovene industry's products, a decline in economic activity, and the dismissal of workers. Our economy turned out to be very "capitalistic," since people react to a decrease in economic activity here by dismissing people substantially more than in Europe. With a 1 percent decline in economic activity, 4,150 people lose their jobs, of whom 3,993 are in the economy and 157 are in the noneconomic sector. Somewhat more than 2,000 of them apply at the employment institute, approximately 1,700 of them retire, about 300 are lost abroad and in the gray economy, and only 49 of them cope for themselves in the private sector. Since the people you dismiss also need to survive, taxes and contributions have to be raised. Wages, which as a rule are increased regardless of performance, also come into that circle from the side. With a decline in production , higher wages and the taxes and contributions on them also mean higher costs per unit of production and lower competitiveness. The consequence is lower foreign demand, since abroad we are competing with economies where people work with the same productivity and a similar organization of society for substantially lower real wages. Lower demand is followed by another decline in activity, a new dismissal of people, and the circle thus spins. The problem is that from circle to circle the spinning represents spinning at an increasingly lower level.

[Kovac] To what point can that spinning continue? To the economic and social bottom?

[Mencinger] Until there are great social outbursts. I think that things will keep going lower and lower here, since I do not see any stimuli from the environment. The private sector only employs 49 of the 4,150 people dismissed, which is very low. In general, I am very skeptical of the private sector anyway. It has to be divided into two parts. On one hand we have the old, primarily productive part, and on the other, a new sector in the form of various engineering operations, which it essentially only takes from the still surviving social sector and turns into—for instance—BMWs, the most current brand of car in Slovenia. Any private businessman who does not earn a BMW in two months already says that the state is oppressing him and thus oppressing private activity. Essentially, it is only a question of a sort of suction, from which nothing can arise.

[Kovac] Is the interventionary law on the freeze on wages and other earnings one the possible ways of stopping that "spinning in circles"?

[Mencinger] The law, of course, represents an attempt to stop that spinning. It was very late, however, in my opinion, and it was also inappropriately presented. The ideal moment for it was October 1991, when we replaced the money. We also could have introduced it at the beginning of last year, during the period of the lowest wages, and thus we would not have had to lower the standard of living. The time is very inappropriate now, since in the meantime inflationary pressures have accumulated. In order to be effective, it will be necessary to lower the standard of living already achieved considerably. Even if the wage freeze were successful at least from now on (it will not be), we would have to have 3- to 4-percent inflation a month for at least one year. That is the only way in which wages would really be reduced to a level at which we could compete in foreign markets.

[Kovac] It is not possible to reduce wages to an appropriate level during a period of less than one year?

[Mencinger] No, since we could only do that with high inflation, and with a big growth of prices you cannot hold back incomes.

[Kovac] But the government is promising that the law will only apply to the economy until the middle of the year!

[Mencinger] I think that those promises are wrong. The government has to tell people clearly that we cannot achieve any results with the law by June. Because of the large payments of wages in February, in June the law will barely "catch hold," and consequently such promises are equivalent to deceiving people. One of the main problems here is precisely that people simply do not know where we are. I criticize the government most for not saying at last what has been happening here for a long time now.

[Kovac] The interventionary law is also supposed to apply to the economy until the middle of the year for the reason that in the enterprises, we still do not have "natural enemies" for wages. Will the property law that has been passed make it possible to establish quickly the kind of owners that will hinder the growth of wages?

[Mencinger] I think that it will not happen. Now, when the privatization concept does not include gradual profitable privatization, I would do everything possible to make sure that during the privatization process we get as many internal owners of enterprises—insiders—as possible, since they are the only real "enemies" of wages. Outsiders—some sort of funds and scattered shares—cannot, of course, be the ones that would control wages. At enterprises that have already been privatized, it has turned out that they are the most concerned themselves with preserving employment and investing in production. They thus also suitably block the growth of wages. I have never understood why there is so much fear of insiders here. An enterprise that is based on insiders does not want anything bad for politics. On the contrary, it only pays taxes to it and wants to be as remote from politics as possible.

[Kovac] What should the level of wages be in order for us to be competitive with economies similar to us?

[Mencinger] I think that with the present productivity and organization of society, we are still competitive with related economies with average wages between 400 and 500 marks.

[Kovac] The wage level that you mention requires a great degree of economic realism from people. Didn't the latest events that followed the adoption of the interventionary law reflect precisely a lack of such realism?

[Mencinger] At the same time, we would like to have a capitalist economy here, and we would like to have everyone equal; we would like to join Europe, but at the same time we are not ready to do anything on our own; we would like to have tourism and a banking industry, but the reality is that for a long time to come, instead of the developed world, we will have to work precisely in dirty industry. People consequently surprise me with two things: the lack of economic realism, and the fact that things are intelligently associated with each other very rarely. I am also surprised by their amazement over the situation in the economy, especially since upon independence and the decision that we would aim for a new economic system it was completely clear what the consequences would be. Because of the large loss of markets, the economic situation could have been even worse. In my opinion, it was precisely the fact that we had internal owners in enterprises who were interested in their survival that helped to keep that from happening. It would therefore be sensible to continue in that direction, and give enterprises more and more autonomy. If we look today at which enterprises adjusted relatively well to the new situation, we see that they are enterprises in various remote areas where politics never penetrated. What concerns me most in Slovenia is the so-called mafia development. It seems more and more obvious and recognizable to me. Specifically, we are creating a system of various funds and agencies that promotes the emergence of questionable links between politics and the economy. We are thus gradually entering a mafia system more and more, with Slovenia, because of its size, having the additional weakness that we all know each other.

[Kovac] And how do you assess the trade unions' economic realism?

[Mencinger] The trade unions' orientation has been wrong since the very beginning. In today's situation the trade unions should fight for jobs and not for wages, since higher wages only mean another crowd of unemployed people. I completely agree that a wage of around 20 or 30 thousand tolars is very small and that it is easy for me, since I receive a wage several times higher, to talk about how wages should be reduced. Unfortunately, life is like that. I am personally most afraid when I am in stores abroad and I see products that are similar to ours and are very cheap. I wonder how much was pocketed by someone who did that and determined that people elsewhere are making the same quality products as we are for a dollar an hour, while here it averages 2 to 3 dollars per hour.

[Kovac]] According to the government ministers, the interventionary law is aimed primarily at improving the economy's competitiveness in foreign markets. Does that mean that we have already approached the upper limit of domestic demand?

[Mencinger] I think that we cannot do anything more with domestic demand, especially the state's demand. The supply structure of the Slovene economy is substantially different from the demand structure, since the supply was adapted to the Yugoslav market and partly to an abnormal system. That is why the only possible orientation is toward exports and increasing demand abroad. Unfortunately, our economy, if it wants to be successful, will have to take the Taiwanese path, which means many years of renunciation and accumulation of a foreign trade surplus.

[Kovac] Most of our exports end up in EC markets; exports to Germany alone represent 25 percent of this, and exports to Italy 11 percent of total exports. Because of the economic crisis in these two countries, can the story from two years ago, which followed the collapse of the Yugoslav market, be repeated for us?

[Mencinger] That is a very big danger. We could even say that if they sneeze in Germany, we catch cold. If stagnation overtakes Germany and Italy, the consequence will be that we will have even substantially lower real personal incomes here than we have now.

[Kovac] For that reason, wouldn't it be advisable to penetrate new markets, not just those of the EC?

[Mencinger] Our economy should export to every market, wherever possible. It seems advisable to me to establish ties with Hungary, since these are two complementary economies. It is true, however, that agriculture would be affected by this. Since we are already talking about exports, it would also be good to think about the effects of building the infrastructure, especially roads. That would change precisely the structure of supply, and also partly adapt it to foreign demand, which is otherwise our big problem.

[Kovac] As part of promoting exports, is it still realistic to count on the economically and physically destroyed markets in the former Yugoslav republics as well?

[Mencinger] We will not get back those markets in the form in which we had them in the past. Sometimes it is characteristic of such destroyed economies that they can progress very rapidly. An example is the Lebanese economy, which was virtually completely destroyed, and now it has started to develop very rapidly, even before the end of the war. That kind of development could also occur in the economies of several former republics, but only with abundant foreign aid. They could also make use of it. On the other hand, I have reservations that for a long time to come, neither Croatia nor Serbia will have a normal economic system. That bad side can increase our possibilities in turn, however. A normal economic system can always gain at the expense of a neighbor that has an abnormal system. A beautiful example of this was the merchants of Trieste, where multitudes of Yugoslavs gravitated years ago because of the abnormality of our system. In that context, a stable tolar could become a sort of local mark for the area of the former Yugoslav market. The Croats would automatically increase our monetary area with our currency, which they know they would be able to buy something with. There is nothing better for the domestic economy than to have foreign citizens saving money in your currency. You give them paper, and you get a good or service for it. That is why the fear of the Croats' having our tolars seems somewhat funny to me.

[Kovac] In order to increase exports, it is necessary to reduce public spending in particular, along with wages. In the economy, we have about 502,000 employees, there are somewhat more than 404,000 people receiving pensions, and the number of people unemployed is over 120,000, but at the same time we are building the basic institutions of the new state, and sudden changes in the health care system are very risky. Consequently, is it even realistic to expect any substantial reduction in public spending, which is to reach about 49 percent of the gross social product this year, according to estimates?

[Mencinger] I am surprised that so much is said in public about percentages, since we do not even know the gross social product, especially not now, when we have a flourishing gray economy. Within the framework of public spending, the budget for this year seems to me to be very well put together. I do not see any particularly different possibilities for preparing the budget, either on the technical side or in its volume. I also doubt whether the proportion of public spending could be substantially reduced. To be sure, there are possibilities for it, but then we would have to make a substantial reduction in established rights. For the first time, the budget has included the size and the servicing of public debt, the area that will cause us the most gray hairs for some time, because of the issuance of various papers in the past.

Maribor-Moscow Satellite Link Established

93BA0920A Ljubljana DNEVNIK in Slovene 10 Apr 93 p 3

["av"-signed report: "Maribor-Moscow Satellite Link"]

[Text] Ljubljana, 10 Apr—On Monday, 12 April, a satellite link between Slovenia and the Russian Federation will begin experimental operation. With the link between Maribor and Moscow, communications between the central computers will be possible. As reported by the Ministry of Science and Technology, with the establishment of an independent telecommunications link, Slovenia is entering the space age.

Otherwise, two days of talks ended in Portoroz between delegations from Slovenia's Ministry of Science and Technology and the Russian Federation's Ministry of Science, Higher Education, and Technology. Among other things, they agreed that the satellite link between Slovenia and the Russian Federation would be completed, that Russians scientists would start to critique Slovene projects in the area of physics and mathematics, that a working group would start to prepare an agreement on scientific and technical cooperation, that the two states would establish a fund to encourage scientific and technical cooperation, etc. In May, Slovene computer scientists will participate in a joint workshop in Moscow on the subject of computers in research activity and education.

Federal

Government Statement on Peace Plan

LD0405162193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1454 GMT 4 May 93

[Text] Belgrade, 4 May (TANJUG)—The Federal Ministry of Information has announced that at its session today, chaired by Radoje Kontic, the federal government considered the situation following the conditional signing by Radovan Karadzic, president of the Serb republic, of the Vance-Owen peace plan and adopted the following statement:

The federal government considers the decision by President Radovan Karadzic to sign the Vance-Owen plan as sensible and well-thought-out and expects the parliament of the Serb republic to endorse it at its session on 5 May.

The federal government regards this move as a victory for realism and common sense designed to consolidate the peace process. The federal government draws attention to the variety of both political and diplomatic options to safeguard and further advance the national freedoms and equality of the Serb nation in Bosnia-Herzegovina. The recognition of the Serb nation's constituent status and the firm support for the principle of consensus in resolving all vital issues of coexistence of the three nations on the territory of Bosnia- Herzegovina will thwart any attempt to force the Serb nation into accepting solutions that are contrary to its interests. In this way, in conditions of peace rather than war and under international guarantees including the guarantees provided by the Federal Republic of Yugoslavia, the Serb nation in Bosnia-Herzegovina, recognized as a state-building nation, will be able to safeguard and cherish its national, cultural, and religious identity, promote integrational links with the FRY, and develop its economic and social potentials.

The federal government gives its full support to the Serb nation in Bosnia-Herzegovina along the path to peace and stresses the FRY's solidarity and determination not to allow any attempts to threaten the freedom and national rights of the Serb nation in Bosnia-Herzegovina let alone any repetition of genocidal threats or practice against the Serbs.

The federal government is of the view that the implementation of the Vance-Owen plan will not affect the existing close cultural, economic, and other peacetime ties and cooperation between the FRY and the Serb people in Bosnia-Herzegovina as an inseparable part of the Serb nation.

The federal government wishes to emphasize its readiness to retain and enhance the right to dual citizenship as yet another guarantee of its intention to safeguard the identity of the Serb nation.

The federal government wishes to stress that the FRY, as one of the participants in the Geneva conference, as the Serb nation's mother country, and recognized as an interested party in the efforts to resolve the crisis in Bosnia-Herzegovina, will continue to monitor the peace process and the impelementation of the Vance-Owen plan and will not allow any attempt to jeopardize the safety, freedom, and inalienable national rights of the Serb nation in Bosnia-Herzegovina.

State Assumes Control of Distribution of Goods

LD0505102893 Belgrade TANJUG in English 0952 GMT 5 May 93

[Text] Belgrade, May 5 (TANJUG)—Due to the tightening of U.N. sanctions against the Federal Republic of Yugoslavia, state organs will have to take over control of distribution of some basic goods as early as in May, TANJUG learned on Wednesday from the government's administration circles.

On May 30 last year, the United Nations security council imposed an embargo on the F.R.Y. because of its alleged involvement in an ethnic and religious war in Bosnia-Herzegovina. The Security Council tightened the sanctions on April 26 this year after the Bosnian Serbs failed to accept the Vance-Owen peace plan for the former Yugoslav republic.

The government will set up headquarters for the priority distribution of goods in short supply not before May 15. It is also necessary to make precise bilances of energy, food, medicines, raw materials and other reserve supplies, on which operational headquarters have already intensively worked within respective ministries.

The first to be set up is headquarters for the distribution of oil, petrol and gas, and those for farm products and food are to follow soon, the government administration said.

Shortage of fuel in Yugoslavia has stopped the work of industrial plants and jeopardized the spring sowing which will literally decide the physical survival of the population.

The federal government has in the original variant of its 1993 economic policy counted on the minimum degree of functioning of the market. But, it said, no elements of market economy can be applied now in the conditions of drastically tightened economic sanctions.

Measures To Counter Tightening of Sanctions

93BA0928B Belgrade POLITIKA in Serbo-Croatian 13 Apr 93 p 7

[Article by Radojka Nikolic: "Ration Stamps for Food"]

[Text] Will the international economic sanctions against the FRY be intensified?

So long as uncertainty remains concerning a resolution of this unpleasant dilemma, the federal prime minister Radoje Kontic has already estimated (the night before last on the program "Topical Talk" over TV Belgrade) that the most recent measures of the Federal Government will have no effect if the international sanctions are tightened. In that case, Dr. Kontic said, the Federal Government must opt for a different economic policy, that is, for government administration of all physical and financial balances.

What new measures are in question? Are they being spoken about only hypothetically, or has some concept of the measures already been worked out? What might the new package of government measures contain? From official quarters, from representatives of the Federal Government, there have been no definite answers so far, which is in fact logical in view of the complexity of all the circumstances on which extension or intensification of the sanctions depends. But what kind of new government administration might be involved if the sanctions are in the end tightened?

According to Dr. Mladjen Kovacevic, professor, the scenario in which the sanctions are tightened is even more likely than removal of the international embargo in view of the present pressures in the world public for tightening the sanctions. And if there is an additional tightening of the encirclement, then it is certain that it will be more difficult both for the economy and the public.

Everything in Government Hands

What new measures might the government take?

One of the principal measures would be extremely careful disposition of foreign exchange. This has been planned even in these present measures, but an additional tightening of the sanctions would necessitate still stronger discipline in the government's disposition of foreign exchange, Dr. Kovacevic believes. That is, in case of stronger sanctions, exports and imports would stop altogether, and there is a question whether any passage at all would remain, at least for drugs. If drugs are once again exempted from the embargo in a tightened version, then, Dr. Kovacevic believes, the procedure would be so complicated that circulation would for all practical purposes be frustrated by the slow handling of permits and documents.

Dr. Kovacevic mentions as a second government measure a possible more optimum distribution of agricultural products. That is, the problem of feeding the population in such a closed governmental and economic space becomes paramount, and it is essential to supply basic foodstuffs and agricultural products to everyone. For the poorest strata of the population, food distribution would have to be based on subsidies or some other procedure, but certainly under preferential conditions. In any case, optimization of the distribution of agricultural products is imposed, especially because the spring planting is already late and there is not enough fertilizer, so that we cannot expect a very good yield.

Intensified government administration might especially be anticipated in the operation of firms producing foodstuffs and in general everything that goes for nutrition. More optimum food distribution under the harsh international sanctions ought to take a very important place, Dr. Kovacevic says.

The Law-Governed State as the Main Condition

"I suppose that the supply of petroleum and gasoline will be a particular problem, and still more rigorous restrictions will therefore be coming. That is, the supply of gasoline to private operators would probably cease, although even now there is no gasoline, and coupons are being distributed. In general, all supply of petroleum and petroleum products for private purposes would cease," Dr. Kovacevic says.

"The situation concerning a tightening of the sanctions is extremely uncertain, and it is difficult to foresee what would happen in our economy in that case," we were told by Dr. Sofija Popov of the Economics Institute. But even under still more rigorous sanctions, the basic condition for the success of any measure taken by the government is the existence of the law-governed state. The chances of success of measures are minimal if the legal system of the state is functioning poorly.

In any case, according to Dr. Sofija Popov, under present market conditions it is difficult to imagine that a command barter economy could survive. Even in the past, our economy had a fair degree of a market orientation, so that it would be additionally hurt by the new sanctions. However, the population would fare the worst and would have still greater difficulties obtaining food and consumer goods. As far as the economy goes, the entire present 30 to 40 percent of capacity would somehow function, because substitutes have in part been found and that segment of the economy does not depend much on imported raw materials, but supply to the public would be drastically worse. However, according to Dr. Popov, continuation of the "status quo" with the sanctions is more to be anticipated than a subsequent tightening.

In coming days, we should know whether the uncertainty over the question of tightening the sanctions or continuation of the present ones as a more favorable variant of what else can happen to us will last for a long time. That will determine whether the Federal Government adopts new measures or implements those now in place.

Vance-Owen Map To Create 'Miserable' Life

93BA0928A Belgrade BORBA in Serbo-Croatian 10-11 Apr 93 p 1

[Article by Slavko Curuvija: "John Wayne on the Miljacka"]

[Text] The Vance-Owen plan will not work. That seems to have become clear even to THE NEW YORK TIMES, a newspaper which (on an entire page in that large format) keeps daily watch over the thesis that here the United States has a new president and he should do everything he can, now and in the future, to make life miserable for the Serbs.

But it will not work because that plan, even its authors do not conceal this, is actually only a technocratic operationalization of the three major misconceptions of the Western world concerning the war in Bosnia and Herzegovina [B-H]. The first is that after recognition of Croatia and Slovenia as national states of the Croats and Slovenes, respectively, it is possible to preserve Bosnia and Herzegovina as a unitary state of Muslim, Serbian, and Croatian citizens. The second is that today, after all the crimes which these three peoples and their madmen have committed against one another it is possible to establish and maintain any kind of provinces founded on the ethnic principle and based on the last population census in B-H. Third, that (the plan) can be adopted under threat of force by the Serbs in B-H themselves as some kind of deserved (only) punishment for what the "Serbian patriots" and their military and paramilitary forces have done in B-H over the last year.

The Vance-Owen plan is also inapplicable because it does not resolve a single issue in B-H except maps and territories, but simply buries all the other problems. And also because its implementation requires several tens of thousands, if not 100,000, foreign soldiers, who must stay as long as it is necessary for the countless crimes committed from the beginning of the war on 6 April of last year to be forgotten or forgiven. The absurdity of the whole matter can even be seen in just that last sentence: What kind of peace plan can it be if 100,000 foreign soldiers must carry it out? And who is going to furnish, as well as to finance, such a large military force?

Accordingly, it makes absolutely no difference whether the leaders of the Bosnian Serbs sign that plan or refuse. The conflict in B-H will remain unresolved, certain misshapen states will be created, and life in this region will be literally intolerable. Not only life among the three nationalities of Bosnia and Herzegovina, but also life within the ethnic enclaves and states there.

But the biggest problem in all this does not lie in the "John Wayne style" of Bill Clinton and his administration or in the "quiet policy" of all those (finally) sympathetic Russians who still have the patience to grapple for days with the supposed craftiness and diplomatic skill of the negotiating team of the Bosnian Serbs. It is not precluded that both the Americans and Russians will very quickly throw up their hands at all this and leave us to ourselves and our fine leaders.

The problem is that those new Serbian quasi-states will soon hang on to Serbia's skirts once and for all and literally threaten its existence. Serbia will very quickly receive the bill of the Serbs outside Serbia for all they have done to carry out the project of a radical awakening of the national consciousness of the "entire Serbian people." A project conceived and initiated, of course, in Belgrade.

The authors of that project are mistaken in their belief that everything can be wrapped up with parade patriotism and weekend tourist trips to the "Serbian krajinas" or supposed occasional visits as volunteers (for a few days or a few hours) (with picture-taking) in the rear of the krajina battlefields. The time when patriotism will have to be proven is when the sankilots, the poor people from the other side of the Drina, come crowding into Belgrade behind their leaders, officers, and high church officials, who have already fled here, but not to occupy the villas and apartments which those who came first have already secured for themselves and from which they only occasionally come among "their people," but directly—into the streets.

In mid-March of last year—some 20 days before the war, while a tricky peace still prevailed in B-H, Dr. Nikola Koljevic, leader of the Bosnian Serbs, told me in London in the presence of Svetozar Rikanovic, at that time Yugoslav ambassador in Great Britain: "If they recognize Bosnia and Herzegovina as an independent state, we Serbs are going to war." I also listened in horror to John Zametica, Nikola Koljevic's London adviser, encourage and support that war option of the Bosnian Serbs and offer his intellectual services in pacifying British public opinion. "Do not get excited, it is not your lives here in London that will be at risk, but ours there in Bosnia. Anyway, everything is ready, it will all be over in 10 days," Koljevic told me.

The scale of the stupidity of those sentences spoken by Koljevic, the Shakespeare scholar, and his London adviser are now well-known. The bill, however, is not being presented to those gentlemen. Koljevic seems to spend more time in his "Bosnian villa" on Dedinje than in Pale, and John Zametica is writing books and articles in London and explaining the causes of the Yugoslav conflict to the world. The bill is being presented to Serbia, and Serbia is dying, slowly and surely. Even a much greater power than Serbia would not be able to finance the squandering of such madness.

However, even that economic collapse is not such a decisive problem. The limits of human stupidity and endurance, it is well-known, stretch out of sight. Incidentally, we also know the story about "roots" and "riding a horse," "should it be necessary." By the end of this year, Serbia must face something terrible. That is simply the logic of the thing. This must be one of those "to be or not to be" dilemmas in Nikola Koljevic's field of expertise. I am afraid that in that new drama which Serbia is just entering upon, the current Serbian regime will simply be forced to lead Serbia into an open general and cruel war, first in Bosnia, and then perhaps in Croatia as well.

In the checkerboard minds of Serbia's present hopes, that war might appear like the only way out, as a war for the ultimate decision, as a war for Serbian identity and

Serbian lands, as a war which nevertheless "the Russians will have to get into" in the end, on the Serbian side, of course, as it was put the other day by "that trucker from Trebinje who a year and a half ago bombed Dubrovnik with relish." For that matter, is not that "warehouseman from Vukovar" already shouting that the last bell is tolling for defense of Serbism and taking the liberty of sending a letter from New York to the most eminent Serbian institutions and, what is more, calling for a pan-Serbian national congress!

Is not that the sign that the terrible finale has arrived!

But even that is not the most terrible that could happen to us. The most terrible thing that could happen to us will be if we believe the "truckers" and "warehousemen" that there is no other way out, that the war which they began is our war, and if we allow them and their minds, reduced to mere biological criteria of life, to even send us into that war of theirs.

Army Budget Viewed Under Embargo

93BA0921C Belgrade NIN in Serbo-Croatian 9 Apr 93 p 26

[Article by Aleksandar Kadric: "Tightening the Belt"]

[Text] Can Yugoslavia, financially exhausted and under the pressure of embargo, see that what is left of what once was the strongest army in the Balkans becomes a military force capable of defending at least its own "piece" of the peninsula, or will even that transformation be accompanied by "past mistakes"?

Year after year, when it came time to adopt the budget of the former SFRY almost the same picture was repeated: The observation was made that the amount being set aside for military purposes was as large as possible, but also that even the appropriations envisaged for those purposes in the previous budget had not been entirely realized. A sizable part of that amount, which was increasingly modest anyway, went for the standard of living of those employed in the JNA [Yugoslav People's Army] instead of for more up-to-date weapons.

In return, on every suitable occasion assurances came from the top military leadership to the effect that the JNA, thanks to maximum thrift, was managing to maintain the necessary level of combat readiness and achieving some of the projects of technical modernization. This sounded illogical even to a layman—there was less and less money for the Army, and it supposedly was getting stronger and stronger every day.

The reality was considerably different, as was best shown in the 1991/92 war. Because "optimization" of training had been wrongly understood, certain active officers saw certain types of weapons for the first time only after they reached the battlefield. And they were expected to command soldiers who were handling those guns.

In making the case for the items in this year's budget in a session of the federal parliament of the new Yugoslavia, Dr. Radoje Kontic, prime minister, said that "under the conditions of the blockade, the military threat and war in the vicinity, the funds for defense must be commensurate to the perils that threaten us." Expressed in the language of numbers, the military treasury will receive 70 percent of the budget adopted late last month, that is, 38,358 billion dinars (slightly more than $800 million at the "black market" rate). Because the budget was planned on the basis of a monthly rate of inflation of only 40 percent (and in March it was five times greater than that), it will inevitably be rebalanced, so that even these sums are not final.

The Limit on Thrift

Most of the resources approved for the defense sector, 84 percent, are envisaged for purely military purposes, and certain deputies demanded that the Federal Government monitor correct expenditure of the "Army" money. The Army will also have to seek a solution for 17,000 officers and more than 2,500 military pensioners, whose housing remained in the former Yugoslav republics.

The army is not cheap anywhere in the world, and there are always fights over reconciling its needs to the capabilities of the state treasury, even in the most advanced countries. One M-84 Yugoslav tank costs about $1.6 million, while a MiG-29 fighter plane is some 20 times more expensive. Economy measures can be applied, but there is a lower limit below which it is dangerous to go.

It is quite certain that one of the measures of optimization will be a sizable reduction of the size of the military of the FRY compared to what the SFRY had (at the end of 1990, there were more than 240,000 men in the JNA). In dealing with this question (VOJNO DELO, No 6, 1992), Lieutenant Colonel Slobodan Maksimovic concluded that the Army of Yugoslavia should have slightly more than 120,000 men, and then approximately five times that many reservists in addition. Professionalization of the Army of Yugoslavia, as presently defined, will affect half of its peacetime strength, and only paid soldiers will be in certain elite units in uniform.

The professional soldier, from the formal standpoint, costs considerably more than the one who was doing required military service. However, the practical savings fully justify the hiring of professionals. Experiences from the war waged recently on the space of the former Yugoslavia and also experiences with soldiers under contract in units of the Army of Yugoslavia have only confirmed this position.

Where Is the Money Coming From?

The professional will not consume expensive ammunition to no purpose, nor will he unnecessarily destroy what need not be destroyed (did anyone mention Vukovar?), he will be able to protect himself and others.... He will not ruin sophisticated war equipment because he has not been trained, which is what happened to certain reservists of the former JNA. Incidentally, the existence of professional armies in countries where they pay very close attention to every cent they spend is no accident at all.

The JNA left the territory of the former Yugoslav republics without large quantities of armament and military equipment, and there is no need to waste words on facilities such as the air base near Bihac or the underground base for ships and submarines in the Croatian part of the Adriatic. In spite of that, certain foreign military analysts, comparing the equipment of the Army of Yugoslavia and the territory which it protects, believe that the Army is perhaps more powerful by a third than the former JNA and that at the moment it even has a surplus of war equipment. This could at first mitigate the loss of a part of the defense industry, which has remained outside the borders of the FRY.

For Yugoslavia, hit by the sanctions, a cheaper way to reorganize indispensable defense production is to commission a portion of civilian industry for those purposes, which is already being done. Under normal circumstances, those investments are mainly paid through the exporting of weapons (the SFRY earned about $2.5 billion a year doing that) and use of a portion of military technology for certain sophisticated civilian products. Under present conditions, it is difficult to provide the initial capital, and Utva of Pancevo is a typical example.

Machines from Sokol in Mostar have been brought to Utva, and all the preconditions exist for manufacturing warplanes and drones. However, the job cannot begin until the government figures out how all this will be financed.

General on Delay of Army Law Adoption

93BA0932B Belgrade BORBA in Serbo-Croatian 7 Apr 93 p 12

[Article by Ljubomir Domazetovic, deputy chief of the General Staff, in response to BORBA article "Impediments to the General's Amendments" on 22 March 1993: "Recognizable Nasty Critics"]

[Text] The authors of the article do not put the right emphasis, do not go into the essential reasons, nor do they explain and interpret to the reader the real reasons why the Law on the Army of Yugoslavia [VJ] has not been adopted as yet, but publicly and arbitrarily and at all costs put the responsibility exclusively on me as an individual.

Certain altogether recognizable nasty critics have not had the courage to speak for themselves, they have been speaking through their obliging journalists, who, without checking things, have published countless loathsome lies and insinuations. This was an echo to my defense of the governments of Serbia and Montenegro, who appeared to be to blame for the tardiness of the law, accusing the Serbian government of wanting to retain certain powers over the Army. Now that they have not managed that with lies, they want a showdown through me with the VJ General Staff and the new federal defense minister, trying to bring him into conflict with the General Staff and thereby deepen the antagonism already created with the former defense minister. The new defense minister, Mr. Bulatovic, has a very well-thought-out and persistent desire to work out the problems that have arisen properly and in keeping with the Constitution and to develop good relations with the Army.

On behalf of uninformed readers and the truth, I would like to present details essential to establishing the state of the facts. Readers can find the answer to the question of who is to blame for the lateness of the Law on the Army of Yugoslavia in the following facts:

The Ministry of Defense, headed by Mr. Panic, defense minister, and Mr. Vardi, justice minister, prepared the Draft of the Law on the Army of Yugoslavia, without any participation whatsoever by entities of the VJ General Staff at the end of last year. That draft of the law, as a whole, was never submitted for an opinion to the commands of the Army and to the VJ General Staff, to which the critics allude. It all came down to the presentation of only certain unresolved issues on which positions were to be taken. Trusting them, General Panic, chief of the VJ General Staff, signed the accompanying document which was the basis for submitting the law to the government of Prime Minister Panic and Defense Minister Panic. Only when it was found that the Draft of the Law on the VJ contained unconstitutional arrangements and in certain sectors of activity placed the defense minister (Panic) in the position of superior to the General Staff, and that even the security service of the VJ was placed under Panic's jurisdiction, did we discover and understand the transparent game. I was assigned by the chief of the General Staff to attend the meeting of the government. After the debate, the draft law was adopted in the cabinet, under the proviso that amendments and supplements be incorporated, which was to be done with the General Staff, but the Defense Ministry did not do this, but rather the law was fed into the parliamentary procedure, and the government designated me as representative to defend the law. The deputies submitted numerous amendments to the Draft of the Law on the Army. However, it is also the right of the proponent of a law to submit his own amendments to arrangements in his own draft law, which was not done. In the debate in both committees of the Assembly on 2 December 1992, all deputies explicitly demanded that all powers of the Defense Ministry over the Army be omitted from the law. About 80 percent of the amendments were taken under consideration and the bulk adopted. In a resumption of the meeting of the two committees on 8 December 1992, there was a motion from the Republics of Serbia and Montenegro to stay the laws, conduct a debate, and reconcile the arrangements. Mandatory reconciliation was ordered in the meeting, and this was properly done on 10, 11, and 12 December 1992 in the Assembly of the FRY, and after that the law could go into further procedure for adoption.

However, the zealous staff of Mr. Panic, defense minister, and Mr. Varadi, justice minister, played their game. They pointed out to the ministers the danger of the Army escaping their oversight, which they must not allow, and they ordered that the law be withdrawn from the procedure immediately before adoption, which was in fact done. After quite a lengthy wait, the problem of the law was taken up in a meeting of the Supreme Defense Council. The General Staff delivered to Council members the supplemented text with the amendment already adopted in the FRY Assembly. The members of the Supreme Council had no specific objections to the text of the law and passed a resolution that the Law on the Army and Defense must be in conformity with the Constitution and that the General Staff and Defense Ministry must draft the law jointly.

However, in spite of that resolution, before Mr. Bulatovic, the new federal defense minister was elected, the Defense Ministry took upon itself the right to draft the Law on the Army of Yugoslavia itself, without any participation whatsoever from entities of the General Staff or any consultation at all with the General Staff. The General Staff was not even presented a copy of the law, so that on the eve of the meeting of the FRY Government, at the explicit request of the chief of the General Staff, we did get one copy of the law, in which the old arrangements were elaborated giving the Defense Ministry jurisdiction over the Army of Yugoslavia. The law was not even cleared with the republics. This behavior was not, of course, at all comprehensible to us. So, my severe "judges" actually are not convicting me of the lateness of the Law on the Army, but the esteemed deputies of the two committees of the FRY Assembly and the governments of Serbia and Montenegro, who requested changes in the draft law and who do not think the same as Messrs. Panic and Varadi and their associates. I hope that readers will understand that I could not order the deputies and the Assembly to adjust the Law on the Army to suit the Army. They were operating according to their own authority and conscience.

The critics have been surprisingly persistent in scorning even the opinions of respected legal experts well-known to the public—Mr. Buzacic, president of the Yugoslav Supreme Court, and Mr. Ratko Markovic, who wrote the FRY Constitution. It is not surprising, then, that in their assessment "by the nature of my calling I am not familiar with the legal problems." I have never boasted of being a legal expert, but it is a fact that I did participate in the drafting and defense in the Assembly of three generations of laws on the Army (this is the fourth since 1980), and I know for certain that my malicious critics did not do that even once.

As for the General Staff and me personally, we are not seeking any more or less authority than what is granted by the FRY Constitution.

Assembly Security Committee Chairman Interviewed

93BA0922A Belgrade NIN in Serbo-Croatian 2 Apr 93 pp 18-21

[Interview with Radmilo Bogdanovic, vice president of the Chamber of Republics of the Yugoslav Assembly, by Luka Miceta; place and date not given: "A Speed That Is Very Strange"]

[Text] Radmilo Bogdanovic is among the most powerful people in Serbia.

He does not seem overbearing, nor boastful, nor indeed conceited. On the contrary, almost cordial. But....

He began as a teacher in Budjevo, which is above Karajukica Bunari in Pester. Then "he was called."

He was 31 when he joined the police, after the Fourth Plenum.

"Police work is like this: Anyone who does not learn it in five years never learns it."

Mr. Bogdanovic studied and learned that job and at the same time graduated from the School of Philosophy at the university. He did his diploma paper in the field of adult education: "Training and Education in Institutions for Juveniles."

He was to move up in the service to the post of minister.

"I was no amateur minister. How many citations I filed and beats I walked in Jagodina, in Kosovo, and everywhere it was needed...."

He would submit his resignation from the position of minister of internal affairs after the events on 9 March 1991.

"Life teaches you, like it or not, that things are relative, that they are both round and have sharp corners.

"I am happy that we got out of it so cheaply.

"Well, it is another matter whether we should have reacted differently.... After all, when the people assault the television building three times, when the people do not want that Mitevic, then, fuck him, let him submit his resignation, whether he was at fault or not. The individual must not be a reason.... I did not submit my resignation to the opposition.... The 9th of March was not my wound. That is the price of serving.... The 9th of March was an important lesson.... If we had acted politically, the consequences would not have been the same...."

He has always tried to strictly distinguish politics and the police.

"People know what it is what! When the police become involved, then, of course, it is a question of force...."

Radmilo Bogdanovic officially ceased to be a policeman on 1 July 1991. Now he is vice president of the Chamber of Republics of the FRY Assembly.

[Miceta] You have not been lucky with the opposition in either the federal or the republic parliament. It seems that the SPS [Socialist Party of Serbia] and Radical Party [SRS] have driven the opposition out of the Assembly with their ignorant, haughty, and bristling attitude. To what extent is that your thinking, and do you feel that this parliament can be taken seriously in the world?

[Bogdanovic] I do not accept that the stance is ignorant. The opposition has frequently been insulted by individuals from the Radical Party. The attitude of the SPS toward the opposition, I speak in my own name and in the name of a number of deputies, has been quite proper.

[Miceta] You are vice president of the Chamber of Republics in the Federal Assembly. How do you interpret the flagrant violation of law, parliamentary principles, and the basic elements of political fair play when you excluded the opposition from the Serbian delegation to the Chamber of Republics? Did anyone from the SPS oppose that idea, which, so I have heard, originated at the top—with Milomir Minic?

[Bogdanovic] They used as their pretext amendment of the Law on Election of Deputies to the Chamber of Republics. I think that they made a mistake there. Had they remained, it would perhaps have been different, perhaps someone on that slate would have gone to the Chamber of Republics. As for the initiative—I do not know with whom it originated; I know only when it was prepared and when we talked about it in the caucus and concluded that we should make that kind of change.

[Miceta] In mid-1991, you made the statement: "I have been in a constant fight with Seselj and have been arresting him. Whenever we have been able, we have filed charges against Seselj...." So now, two years later, Seselj has become a partner in your party's coalition and a de facto participant in the government. Is it possible, in your opinion, for society to undergo such a rapid transformation, or on the other hand is it a question of crafty use of related parties to meet the needs of the current political moment?

[Bogdanovic] Your question is not in order, but I will answer it nevertheless. That was a time when Seselj was expressing pro-Chetnik ideas. The occasion, I believe, for that statement of mine was his behavior in the Prohor Pcinjski Monastery. Now, a lot of that has changed, and these relations of ours are changing with a speed that is strange.

As for the partnership in the coalition, I must correct you and say, speaking in my own name, that Seselj is not our partner in the coalition. However, the question is who is using whom and what here? We are the most numerous party in the Serbian Assembly, but we do not have a majority. Accordingly, decisions will always depend on who judges that he can accept our proposal at that moment. Many people underestimate Seselj and the Radical Party. He is not as tame as it appears....

[Miceta] He is not tame at all!

[Bogdanovic] ...Nor is he all that acceptable as a long-term partner. He has his own program and can always be very unpleasant in cooperation when something does not suit him personally or his party.

[Miceta] In an interview which you gave Ivica Dacic a year ago, you said: "Vuk is only an exponent, he changes his positions and is not a steady political figure...." Do you think that on our, as you would call it, strange political scene there are "steady political figures" who have not changed their political positions, excepting, of course, the leaders of the League of Communists—Movement for Yugoslavia [SK-PJ]?

[Bogdanovic] I think that the president of my party and I as a member of that party have not changed our positions. We have had a position based on principle from the outset.

[Miceta] Why then did you change the name from the Serbian LC [League of Communists] to the SPS?

[Bogdanovic] I am speaking about our views based on principle since formation of the Socialist Party. It would be absolutely unnatural, and it would not be dialectical at all for us to advocate some Serbian LC, just as it is for us to advocate some Yugoslavia when it is obvious that we cannot keep anyone here in this Yugoslavia by force.

[Miceta] You have publicly expressed the opinion that it is our tragedy that criminals have succeeded in imposing themselves on the environment and being elected to parliament. What have you personally done to prevent that, given the fact that you have been collaborating with certain deputies of that kind by the nature of your (former) occupation, but also as a public figure?

[Bogdanovic] There is a great deal in your question which I must refute. First, I did not make such a statement. I did not say: criminals.

[Miceta] That is what was in the newspapers.

[Bogdanovic] Fine, you read the papers, but a criminal is a person who is convicted of a crime. When he serves his sentence, he ceases to be a criminal. Second, people today, in these times of unrest, commit their affinities and confidence to those individuals who have shown themselves to be patriots, which under normal conditions they could not achieve with their earlier behavior. We cannot at this point correct the decision of 30,000 or 40,000 voters, who gave them their votes. Which means, this is a question of the will of the people.

As for the other part of the question, I long ago ceased to work as a policeman in the direct and operational sense in that I would have collaborators outside the department. Quite a few of our people, when they leave the service, act presumptuously, saying that they have collaborators, that they know the underground, and so on. This is improper and unprofessional. I have not nurtured such relations. I suppose I know of whom you are thinking. You are drawing a conclusion indirectly. I had no direct ties to the people to whom you are alluding.

[Miceta] It is said that President Milosevic will be better-known for the fight on crime, briefly put, "no one can be allowed to steal from you," than for a similar sentence. What does this fight against organized government crime actually mean?

[Bogdanovic] There is no organized government crime.

[Miceta] Do you think that there even can be organized crime in an unorganized government?

[Bogdanovic] You are out of order. What is this government crime? You journalists and certain party leaders have invented it. Government crime ought to be, if I am going to define it right here, when certain government agencies act as an intermediary or guide or commit criminal acts. I know of no such crime. So, the fight on crime is a policy course to mobilize not only the police, the prosecutors, and the courts, although them above all, but the entire society to eradicate such activities, to punish individuals who have deserved it so that others would be afraid of punishment, and at the same time for us to increase overall vigilance. That is how I understand President Milosevic.

[Miceta] Is it true that former Minister Matkovic and ex-Prime Minister Bozovic were asked in the meeting of the Executive Committee of the SPS to submit their resignations and commit political self-euthanasia and that Bozovic said at the time that he might fall, but only together with Milosevic? In view of Bozovic's highly developed sense of reality, it is hard to believe that he said anything like that, but it is my place to ask.

[Bogdanovic] We did not talk about that at all in the Executive Committee.

[Miceta] Why?

[Bogdanovic] Because recently we have not even held meetings of the Executive Committee.

[Miceta] Do you think that Radoman Bozovic should submit his resignation?

[Bogdanovic] I will not express myself on that point. That is his affair. When I was the one, I behaved the way I felt I should behave. Bozovic is of age, he himself knows what he should do. He had greater confidence and a higher post than me, so why should I be reflecting about his accountability instead of him?

[Miceta] There are those who think that you took those famous 200,000 marks [DM] from Dafina—which Covic took from Jugoskandik in the name of the SPS—plus interest, so that your party could repay them to Jugoskandik.

[Bogdanovic] I do not know that. One can no longer be certain of anything. Nor did I know that Jugoskandik gave that money to the SPS.

[Miceta] But you are a member of the Executive Committee?

[Bogdanovic] In the Executive Committee, my friend, we have never talked about who is going to give us what. There is a commission, there is someone responsible for the party's financial affairs.

[Miceta] Clearly, but DM200,000 is nothing to sneeze at!

[Bogdanovic] Of course, but again I tell you that we did not discuss that. I first heard about that when Covic made the statement on television.

[Miceta] Did you ever discuss the party's financial activities in the Executive Committee?

[Bogdanovic] There is an oversight committee, there is a financial department, and once a year the overall financial performance is taken up in the Main Committee and in the Executive Committee. You know, after Covic's statement, a decision was made that if that had been given, to return it now.

[Miceta] Now that we are on this rewarding topic, I must ask you: To what extent was the Jugoskandik scandal mostly a political attack on the Montenegrin leadership intended to link the leaders of Montenegro to criminals in the Serbian party and government leadership?

[Bogdanovic] I think that that is off the wall and mere speculation. I think that that is not the way for you to talk even if there were some basis for that second part of your question.

[Miceta] There are sources close to the leadership of Montenegro who say that they see this as a political attack, but for the sake of peace in the house they will treat it as an economic problem.

[Bogdanovic] I do not know what they are thinking, but even when Jezda was down there having his picture taken with them, showing off and buying Sveti Stefan, I said that this was stupid. Where did he get off, and who was this Jezda?!

[Miceta] You ought to know.

[Bogdanovic] From what I know of him, this is an average, even rather problematical guy, with suspicious behavior in his youth. However, there it is, all of a sudden he becomes someone and something that can purchase Sveti Stefan!

[Miceta] Did you, for instance, as a professional, give an indication to the most important people in the Serbian leadership as to who Jezda and Dafina are?

[Bogdanovic] And why would I give them that indication?

[Miceta] For the good of the country, let us say.

[Bogdanovic] For the good of what country? When he went off to Montenegro and was accepted the way he was there, let that be a lesson to those who gave him that reception. I never met him and never wanted to. Aside from that, no one asked me anything so that I might possibly have been able to tell anyone anything.

[Miceta] General Panic's trip to Baghdad was very indicative. To what extent was his militantly intoned speech in Iraq the inauguration of a policy which the army is shaping in strategic matters, in view of the fact that the federal defense minister, the civilian Pavle Bulatovic, was simply bypassed in these negotiations?

[Bogdanovic] I assume, I only assume, because I have not talked to Panic, nor to anyone in the government, that their objective was to try to collect that debt or at least to see how certain it was that we would get something from Iraq.

[Miceta] Yes, but the chief of the General Staff does not have to go for that reason, and should not Pavle Bulatovic have been in that delegation as well?

[Bogdanovic] What is Pavle Bulatovic going to do there; he just came yesterday, he still does not know how to do that job? That is our tragedy. Someone new who takes that post needs a year to learn the job. When someone new comes to a position like that and ascertains that he has learned everything and knows everything, he will ruin the post to which he has come.

[Miceta] Might that also apply to your successor, Zoran Sokolovic?

[Bogdanovic] He has been there for two years now.

[Miceta] Fine, but when he came?

[Bogdanovic] At the beginning, anyone can hold that post, because he is accepted by the professionals who have been there for years and who know perfectly well the job they do.

[Miceta] There is quite a bit of talk about a misunderstanding between the top leaderships of Montenegro and Serbia. Even the secession of Montenegro is being mentioned more and more openly. Is it true that the Montenegrins have been told that they can secede, but only within the limits of the old Montenegro, that is, without Niksic, the Boka, and the rest of the Montenegrin coast?

[Bogdanovic] First, no one in his right mind would tell the Montenegrins to secede. Second, the Montenegrin people favored community in a referendum. You know, there are disagreements even here in Serbia between regions, so why would there not also be between the leaderships you have mentioned. Those disagreements do not go beyond the limits of a democratic contest.

[Miceta] Cosic survived the last session of the Assembly. How do you account for so much animosity toward President Cosic among you Socialists?

[Bogdanovic] That can perhaps be said of individuals. However, the Socialists have not taken a position on that. In the end, why not analyze Cosic's behavior? I, for instance, am personally angry at Mr. Cosic.

[Miceta] Might we know why?

[Bogdanovic] We as deputies elected him president. From the moment Cosic became president, he left the speaker's stand and found it appropriate to say: This Assembly was not democratically elected. The Assembly must be changed, I will call elections, and so on. What made him a bigger Democrat than us who elected him? On two occasions, for instance, he has made statements which are offensive. He said: The parliament is not following me; if the parliament does not follow me, I will see what I am going to do.... I tell you, it is not our function to follow him. That parliament is the legislative and basic authority that elected him. Forgive me, he is not on the same level with parliament, and he certainly cannot be above it.

[Miceta] What is the situation in Kosovo and Metohija, and is Albania's intervention into that part of Yugoslavia possible? I put this question to you, although Uke Toda, for instance, the mayor of the Albanian region Kukesa, which is on the border, has said that no one is going to cross the border from Albania if war breaks out in Kosovo, because the people there, that is, the Albanians, have neither the weapons nor the desire for it. That is also the thinking of the FIGARO journalist Phillippe Gely, who has written: "Kosovo, 'occupied territory of the Albanian national consciousness,' as Sali Berisa puts it, seems no longer to be possessed by spirits?" What is your assessment?

[Bogdanovic] Kosovo and Metohija are a territory of Serbia, and the Albanians cannot raise any uprising there so long as this country controls its territory. I think there is no citizen of Serbia, certainly no Serb, who would allow anyone to occupy the territory of Kosovo and Metohija. They are not going to launch any uprising, unless someone talks them into doing something like that so that the one who talked them into it could then defend them. I do not think that that is possible either.

However, it is another matter that we cannot restore order in Kosmet solely with the army and police, that we have to fight through political and social action for every Albanian who wants to live there, who, I emphasize, is an old settler there. Those who have had the opposite intention, be assured, will have to seek another homeland. Here, we have to be consistent to the end. And that must be clear to everyone. If that is clear to all, then no one is going to strike at Serbia because of Kosmet. There is no fluctuation on our part concerning that point.

You know, we are running late with programs which are supposed to make it possible for former inhabitants of

Kosovo and Metohija and their descendants to return, which means that we are changing the ethnic structure, so that there would be more than 200,000 Serbs there, and that would improve the ratio with the Skipetars. But we also have to move out a number of those Albanians who are not Yugoslav nationals.

[Miceta] At the same time, we have socialized land in Kosovo and Metohija which has to be given out to people who can no longer return to Croatia or even to Bosnia and Herzegovina. Here, you are fully in agreement with the opinion of Zeljko "Arkan" Raznjatovic, deputy!

[Bogdanovic] Surely, I am not in agreement with him! I have been saying this for five years now, and he just came, and now I am supposed to be in agreement with him! That is not his idea. You journalists are making some kind of idol of him.

[Miceta] Sorry, some journalists only write about that idol, but someone else made that idol.

[Bogdanovic] I would like to say that I am not in agreement with him, but he in agreement with me. I have been talking about this constantly, we have in fact adopted a program on this, and I as a deputy took part in adopting that program.

[Miceta] Karadzic is now in a very delicate situation: He must ask for the sanctions to be removed from Yugoslavia if he is to sign that unfavorable plan. Does not that handicap him in the negotiations being conducted now in New York?

[Bogdanovic] No, he is not. You know, it has always been that way. I would like to remind you: When the Vance plan in the krajinas was being discussed, you know that a division occurred. Babic thought that that should not be done, and he weakened his position, although up to that point his contribution had been great. However, it has turned out that it was better that we did accept the Vance plan at that time. You see, that territory is now the Serbian republic Krajina. The Croats will never again be able to say that that is theirs.

We are also in a crisis and I think that Karadzic will have to put conditions if he is to sign it. There is no other way. At the same time, the Serbs are holding that territory, and you cannot take it by force.

[Miceta] You are chairman of the Security Committee of the Assembly of Yugoslavia. What is the political-security situation, as Stane Dolanc would call it, in Yugoslavia?

[Bogdanovic] We have emphasized the struggle among the parties, and we even exaggerate in these interparty showdowns, and we have forgotten that we should be preparing our young generations so that they know what the homeland is and to fight for it and for its prosperity, so that in that homeland it is possible to be a member of the Democratic Party and the Socialist Party and any other party. The homeland is the thing that is basic. If we do not preserve the homeland, there will neither be us nor democracy, nor political parties.

Which means that we must determine what our national interests are and bring not only our young people, but all our citizens, around to a common denominator on which there can be no disputes between political parties.

Plight of Dafiment Depositors Viewed

93BA0921A Belgrade NIN in Serbo-Croatian 9 Apr 93 p 31

[Article by Dragan Cicic: "Showdown at Dafina's"]

[Text] "We put up with this misery with chill in our hearts, because power is power, and we are only miserable cattle," recites Grujo Zugic (age 58), a Dafiment Banka depositor. Mr. Zugic has the face of a disappointed existentialist and is quite a favorite among depositors from the interior who wait in a separate line in front of the Market Center on Republic Square.

The reason for his popularity is not difficult to discover: His witticisms make the time pass faster for the crowd of people gathered around him. When someone begins to lament that he had to deposit his money with Dafina, because "thieves immediately come into your home and take everything from you," Mr. Zugic says: "Better this way when you give it to them yourself." But not even such a witty man can keep people in good humor after three, four, or five days of waiting. Payments of interest at Dafina's, that is, are running behind, or at least were until recently, running behind all of nine days. What is more, the office for out-of-towners has been making payments to only between six and 10 foreign exchange depositors a day, subject, of course, to the restriction of 1,000 German marks [DM] per person. After that: "There is no point in waiting, no one else is being taken here today!" That is what an usher shouted to the agitated crowd at about 1530 hours on Tuesday afternoon, afterward quickly withdrawing behind the iron grating into rooms on the third floor of the Market Center.

Gamblers and Fools

His unambiguous announcement nevertheless did not completely discourage the staunch depositors. One elderly woman said that she would nevertheless continue to wait—"one never knows"—although at the same time she was worried about her husband, also retired, whom she did not find, although about 1400 hours she was supposed to take his place in line: "He is a diabetic, I am afraid he fell into a coma...."

In recent days, by all appearances, even those few thousand marks which were distributed have run out and they have switched to other foreign currencies left behind in the vaults, mainly Swiss francs. It all inescapably recalls the brief period in the state banks immediately before the transition to the regime of "old savings."

Circumstances, however, are such that it does not occur to anyone to protest the form in which he receives the money, nor even the amount. "Can I just withdraw some interest and let the rest stay till the end of time?" a young man with a beard asks a man whose hair is cut short, presumably a bank employee. The answer is cool and businesslike at least in tone: "Nothing without an appointment." The young man, of course, says "Thank you," because the customers have already learned that this approach can be considered exceptionally cordial compared to the usual way Dafiment does business. The passionate relationship between the bank and its customers, that is, often takes on violent forms manifested through a range of volcanic eruptions, beginning with the breaking of glass and tugging the sleeves (by the depositors), up through curses and punches, (by the security) to cases of unbridled beating, which was experienced by depositor Mica Jovanovic. Nevertheless, even he is not completely discontent, because after the incident he was paid his DM1,000, although before that (before the beating), when he asked when he would get his money, an employee curtly replied "A prick is what you'll get." Mr. Jovanovic could in any case have fared even worse, in light of the fact that the last showdown in Dafiment, though between the employees themselves, was not done with fists, but with light infantry weapons (one dead, four wounded).

All the measures of this campaign (not excessively subtle, it must be admitted, but on the other hand very direct and with a clear message) have undoubtedly achieved their objective: Not only has the outflow diminished, but some people, at least for now, have altogether given up on withdrawing their money. A young man with a yuppie image and a strong Vojvodina accent had deposited about DM2,000, but he did not try to withdraw them, although the term expired on 2 April. "This is a gamble, if you lose on a gamble, there is nothing to get mad about or get too excited about unless you have invested everything," he notes nonchalantly. "And then, anyone who deposits everything is a fool."

A Night Passed in Storytelling

Concerns about whether it is or is not worth coming or attempting for now trouble only the foreign exchange depositors. As far as the dinar depositors are concerned, especially those from out of town, it is quite certain that they can only lose from their attempts. Payment is limited to 500,000 dinars (recently increased to 1 million), while at the same time the price of a bus ticket to Nis, say, costs about 150,000 dinars, and, in addition, one has to wait several days for his money, which means that there are also meals and, if one does not have relatives and friends, the costs of accommodation as well.

To avoid those additional costs, some people spend their nights and days under the sheltering arches in front of the Market Center. The frame of cloth beach chairs protrudes from a pile of paper, sheet metal, and cardboard. Alongside are blankets packed in plastic bags. They say they cover themselves with them at night.

"Aren't you ever cold?"

"Yes, but so what!" There is feistiness in the voices. "When it is very cold, about 0300 or 0400, we turn on the radio, we dance the kolo, and it's fine, we get warm."

Thus, while ads are appearing in the newspaper for the sale of savings deposits with Jezda and Dafina at half-price, the Serbian banking dream is coming to a close. There are no signs that the immense sums deposited in the private banks have gotten business going. Even the sole businessman expected to have certainly profited in the whole deal—the popcorn salesman with a stand beside one of the lines—is dissatisfied. He says about the depositors: "They don't buy much, and they make a big mob, and customers cannot get to me."

Assembly Dispute Linked to Monetary Power Control

93BA0915F Belgrade VREME in Serbo-Croatian 5 Apr 93 p 17

[Article by Z.J.: "The Constitution, Sloba, Dafina..."]

[Text] While waiting for resumption of the meeting of the two chambers of the federal parliament scheduled for the middle of next week, it is nevertheless worth noting: Socialist Party of Serbia [SPS] and Democratic Party [DS] deputies have halted or postponed adoption of the government's intervention law—because of unconstitutionality. For those who know and respect the constitutional order, there is not a trace of a dilemma that adoption of the proposed law would transfer legislative power from the Assembly to the Federal Government. The Constitution foresees such a possibility only in a proclaimed state of emergency or state of war, when the federal parliament is unable to meet. There is also no dilemma that the principled opposition of the DS deputies would have remained in the archives of parliamentary debate if that same position had not been taken by the Socialists as well.

The work of the legislative-legal commission, in which the proposed version of the intervention law was halted, took place behind closed doors. The altogether acceptable effort of the SPS deputies, however, for the Federal Government to formulate its demand in a proposal for amendment of the relevant laws instead of seeking a general legislative authorization did leak. Nevertheless there has been no clarification as to how and why a dispute arose at the last moment, especially because the prime minister announced that he is proposing all the measures and the intervention law in agreement with the republic prime ministers. The Montenegrin Government supported the federal prime minister, while the Serbian Government has been silent and doing its job (fertilizer, planting, fuel), for which on Thursday it is getting the public support of the SPS Main Committee. In addition to current economic policy, full support was also given to the "measures the government is taking in fighting all forms of crime and in the functioning of all agencies and instruments of the law-governed state in all domains of the life of society and over the entire territory of the republic."

Quotation of this part of the communication would make no sense if the parliamentary dispute over the intervention law, as interpreted by well-informed political circles, did not extend all the way to Dafiment Banka or had not originated with it. That is, adoption of the intervention law would mean that the Federal Government would assume complete control over all monetary flows, both dinars and foreign currencies. The fact that in preliminary proceedings the Serbian prime minister supported the intentions of the central government and then backed off could mean that Kontic has interpreted very freely the agreement with his Serbian colleague, but a thesis that is closer to logic is that the main reason lies in some kind of commotion among the Serbian Socialists.

A story comes from the same political grist mill that the head of the Serbian state recently declared that he does not care who will be ruined because of poor business operation, but that the high frequency of failures could have a bad effect on the system. Viewed from that angle, it is possible that some of the Socialists are not "well-informed," or have mistakenly judged what is meant by "high frequency," but also that they are opposed to the new policy of the party's top leadership. There are also quite practical reasons for the last possibility if one is to believe Dafina Milanovic's statement made in the middle of last year that ministers, inspectors, politicians...are among her depositors.

Coming days or weeks will show which of the versions talked about in the corridors is the right one. In the meantime, the reaction of Ljubomir Mihajlovic, president of Komercijalna Banka in Belgrade (in POLITIKA on Thursday), is of interest. The banker reproaches the deputies for "carping like lawyers," which is a big topic in itself, he supports the measures of the Federal Government, and at the end says: "We in the banks know that the rates of speculative interest have been too high so that the money would turn over fast, foreign exchange would be collected...and then scram, as recently occurred with one owner of a bank, and will probably happen with some others.... As for the pressures of depositors on the private banks, I do not see that there should be protection of any bank to the detriment of the economy and the public. Incidentally, banks are not divided into private and government banks (the law puts them on an equal footing), but into good and bad."

Of course, the bickering within the government does not mean that the people will not be protected with coupons, ration stamps, and similar instruments of economic policy. Srboljub Vasovic, Serbian deputy prime minister, confirmed that there should be no doubt about that when he said early last week that ration stamps for principal foodstuffs should not be anticipated at least for the next 15-20 days, or even considerably longer unless there are exceptional circumstances. There will not be such circumstances, for example, if producers consent to "sell" at the prices fixed for them by the government.

Jugoskandik Depositors' Letter to Milosevic

93BA0958A Belgrade BORBA in Serbo-Croatian 16 Apr 93 p 9

[Article by Z.M.: "We Want To Know Where Our Money Is"]

[Text] Nis—"In his address to the public just a day after the official results of the election were made public, as the newly elected president of the Republic of Serbia, you announced an uncompromising fight against crime as a priority during your term of office. You, Mr. Milosevic, have for several years been calling to successful Serbs in the diaspora to return to Serbia and Yugoslavia and to continue conduct of their business here. The first one who returned permanently was Mr. Jezdimir Vasiljevic, but he was also the first to leave Yugoslavia because, he says, he was robbed and his very life was in danger. Today, when the public's claims against Jugoskandik have exceeded the figure of 300 million German marks [DM], Mr. Vasiljevic is no longer in the country. He emigrated legally," says the open letter which the Presidium of Jugoskandik depositors in Nis sent yesterday to Slobodan Milosevic, president of Serbia, on behalf of the 20,000 people in Nis who have been hurt.

Along with the question "Where is our money, Mr. Milosevic?" the Nis depositors say that the government of the Republic of Serbia, the government of Montenegro, and the National Bank of Yugoslavia surely must know.

"We are convinced that only you have the power to solve this problem, and we are therefore asking that you determine: In his departure from the country, did Mr. Jezdimir Vasiljevic legally rob us depositors? If he did, we call for an international warrant to be issued for his arrest and that all the property he possesses abroad be confiscated, including money up to the level of our claims on the basis of time deposits of foreign exchange."

Jugoskandik Depositors' Committee Blamed for Theft

93BA0958B Belgrade BORBA in Serbo-Croatian 17-18 Apr 93 p 7

[Unattributed article containing statement by Jezdimir Vasiljevic: "The Depositors' Committee Helped the Thieves"]

[Text] Belgrade—In his press release yesterday, which was sent through Jugoskandik Press, Jezdimir Vasiljevic, the runaway owner of Jugoskandik, directly accused the depositors' committee, which has been in the firm's headquarters since he left, of robbing the vault. The press release states:

"The group of depositors who formed the committee and entered the offices of Jugoskandik without authorization have persistently prevented the content of the vault from being transported to a safe place—under the watch of the federal or republic national bank. Instead of protection, they have several times tried to reach agreement with Jugoskandik's guards to divide the contents of the vault among themselves. They were unsuccessful at that, and they chose a different way by naming Zoran Glisic acting director and demanding that he pay them. Because he did not consent to that, they dismissed him and appointed a man from their own committee to be the person responsible. Following that, the vault was robbed within 48 hours.

"The thieves," Vasiljevic goes on to say, "obviously had enough information about the opportunities to enter the building unnoticed, to avoid the internal television, and to incapacitate the five armed guards. Without a struggle or killing, they took the money, and no one outside even noticed them. Some 10 days ago, I warned that that committee wanted to do that. No one reacted to my warning, and the robbery took place, in obvious collusion with the committee.

"I said at the time that in case of robbery, my obligations to the depositors ceased to the amount of the amount that was stolen. Now let the committee find that money somewhere for the depositors. They are the ones who made the robbery possible," concluded the press release which Jezdimir Vasiljevic sent through Jugoskandik Press.

Serbia

Serb, Greek Leaders Stress Friendship

LD0405214093 Belgrade TANJUG Domestic Service in Serbo-Croatian 2052 GMT 4 May 93

[Text] Belgrade, 4 May (TANJUG)—Serbian President Slobodan Milosevic and Greek Prime Minister Konstandinos Mitsotakis held talks in Belgrade this evening about current issues of importance for Serbia and Greece and of special interest for the situation in the region.

As disclosed in a statement issued by President Milosevic's office, it was jointly stressed that firm friendship, a high degree of mutual understanding, and a constant successful development of bilateral relations are uniting the Serbian and Greek nations.

Greece's considerable contribution to the creation of conditions for peace in former Bosnia-Herzegovina was stressed.

President Milosevic and Prime Minister Mitsotakis will leave for Pale tomorrow, it has been disclosed. Serbian Prime Minister Nikola Sainovic, Federal Foreign Minister Vladislav Jovanovic, and aides to the Greek prime minister took part in this evening's talks.

Mitsotakis arrived in Belgrade this evening in order to attend tomorrow's session of the assembly of the Serb republic [in Bosnia-Herzegovina]. Serbian President Slobodan Milosevic greeted Mitsotakis at Belgrade's Surcin airport.

Seselj 'Categorically' Opposes Vance-Owen Plan

AU0405175793 Belgrade POLITIKA in Serbo-Croatian 4 May 93 p 8

[M. Radovic report: "Seselj: We Are Categorically Against the Signature"]

[Text] Pljevlja, 3 May—Not even the rain prevented more than 7,000 residents of this town by the Cehotina River from assembling in the large 13 July Square to greet Vojislav Seselj, leader of the Serbian Radical Party, and his aides.

"Members of the Serbian Radical Party hold the view that all attempts by the Western diplomats to force the Serbian people and the Serbian Republic to sign the Vance-Owen plan are in vain. Their goal is to separate Serbia from Montenegro, to snatch Serbian Ras [Sandzak], Kosovo, and Vojvodina. We are at the turning point today. The West is demanding that we capitulate. Some Western leaders are threatening to bomb some military targets in the former Bosnia-Herzegovina and the bridges on the Drina River. They will, they say, also hit some targets in the FRY. They forced Radovan Karadzic to sign the Vance-Owen plan. We, Serbian radicals, are categorically opposed to the signature," Vojislav Seselj said, and added:

"They are threatening us with sanctions and bombing if we do not sign. Even if we sign everything, they will not lift the sanctions. They will always blackmail us: They will ask to recognize the Republic of Croatia within AVNOJ [Anti-Fascist Council of National Liberation of Yugoslavia] borders and the ethnic Albanians' republic of Kosovo. Then they will demand a special status for Ras, which is the cradle of Serbianhood, and turn it into a Muslim Jamahiriyah, with a special status for Vojvodina. The more we agree to the blackmail the more will they press us. They will want us to remove the authorities in Serbia and install traitor parties, Depos and the Serbian Renewal Movement. In Montenegro, it would be the liberals that would take power. They will not stop until they break us up.

"They demand that on 5 May the Serbian Assembly in Pale sign the plan, abolish the Serbian republic, and sign capitulation. They want the Serbs to give up 30 percent of the Serbian territories, Serbian Foca, Serbian Visegrad, Serbian Doboj, and other Serbian regions. Their aim is a unitarian Bosnia. We will take up arms if somebody tries to separate Montenegro from Serbia. If they bomb bridges, we will swim and help Serbia and the Serbian republic," Seselj said at the end.

Raznjatovic Urges Accepting Athens Agreement

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[Text] Bijeljina, 4 May (TANJUG)—The Serb nation needs peace, and so we have come to appeal to the Assembly to take seriously the Athens agreement and to accept the need to sign a lasting and just peace, Zeljko Raznjatovic Arkan, a deputy in the Serb Assembly, said in Bijeljina today following talks with deputies from Semberija and Majevica to the Assembly of the Serb republic [in Bosnia-Herzegovina].

Raznjatovic, who visited Bijeljina together with Serb Assembly deputies belonging to the group of citizens supporting him, told journalists that the reason for his visit was to hear deputies' views about the signing of the Vance-Owen plan in Athens ahead of tomorrow's Assembly session in Pale. In Bijeljina, he stressed, we have come across very reasonable people, who did not become victims of euphoria and false patriotism.

I do not accept that people who are urging a war option while sending their capital and families to Belgrade are true patriots, Raznjatovic said, adding that, in his view, those advocating the death of the Serb people are traitors.

New Information Weekly Published in Belgrade

LD0405131993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1121 GMT 4 May 93

[Text] Belgrade, 4 May (TANJUG)—The first issue of NEDELJNE INFORMACIJE TANJUGA [Tanjug Information Weekly - NIT] came off the press today. The weekly is mostly intended, it is said, for the use of regional and local papers, radio-television stations and factory bulletins, as well as all those interested in what is going on at home and abroad. The NIT will be coming out every Tuesday. It can be ordered by telephone (38-11) 620-072 or telefax, 625-722.

SPO's Draskovic Urges Unity of Opposition

93BA0921B Belgrade NIN in Serbo-Croatian 9 Apr 93 pp 18-21

[Interview with Vuk Draskovic, leader of the Serbian Renewal Movement, by Dragan Vujosevic; place and date not given]

[Text] Vuk Draskovic, leader of the SPO [Serbian Renewal Movement], is acting decisively these days in spite of the disagreement within DEPOS [Democratic Movement of Serbia]. As if he had decided to play once again the role of "king of the street and squares." Although rumors have reached even our offices to the effect that Vuk is preparing demonstrations, we were surprised by his open admission that he is preparing a new St. Vitus Day rally.

"In a day or two, I will propose in the DEPOS Presidium that we set the date to continue the St. Vitus Day rally without much hesitation and a great deal of philosophizing. I foresee that the tension will be greatest sometime in June, that at that point most people in Serbia will realize that ruination has come and that we must offer resolute resistance to the author of that ruination, to this regime. I think that then the decision must come down: Us or them! I believe that all of us in the opposition will agree to finally make a true and manly move. If it happens that that agreement does not occur, the SPO will have to go it alone. I hope, however, that there is no one in the opposition who in the end believes in the effectiveness of any kind of manifestations of kneeling, delivering speeches, or who feels that there is no need at all to organize anything radical."

[Vujosevic] What does that mean? Civil war in Serbia?

[Draskovic] No. Why civil war? If we draw only a third of the people in Belgrade who can no longer and wish no longer to put up with it, who cannot and do not wish to be dumb observers of the burial of Serbia and our people, it will take only one day, two at the most, for capitulation of the government, and it will all be settled in Belgrade. We have been driven to the wall, and there is no room to back up any further. The salvation of the state and the nation lies in one or two days of exertion, which we have not had up to now, and resoluteness which we have not had, because we do not even desire to have them either on 9 March 1991 or last year at the St. Vitus Day rally. On 9 March, we did not rebel, nor did we rebel at the St. Vitus Day rally. We have been issuing warnings and harboring the illusion that those warnings are reaching someone's ears, that someone is thinking about that. However, if we analyze where we were in June last year and where we are now, we will see that we actually made a mistake when the St. Vitus Day rally ended that way.

Finally, I think that certain other circumstances have also been cleared up. There is no longer Cosic, there is no longer Panic, to figure as sugar candy to deceive children, to offer hope—as though they would solve everything and stop this train which is rushing downhill on a greased track. No, there is nothing anymore. Across from us, we have a deep anti-Serbian strategy, one that is above all antidemocratic and anticivilization. We have across from us a government which is difficult to separate from the mafia. It is no longer possible to tell whether the government is the mafia or the mafia is the government.

We do not have the right not to rebel. We do not have the right not to make an attempt. In my view, we must at any price take over, physically occupy the factory of lies at No. 10 Takovska Street. Either the TV-Bastille or the future of Serbia must fall. Just let us give Serbia to the

Serbs, and that will be Serbia's salvation. I say that there would have been no war and all this ruin and shame and sanctions if on 9 March 1991 we had merely liberated the TV-Bastille.

[Vujosevic] But that cannot be done with a St. Vitus Day rally.

[Draskovic] It is not to be done with a rally, not by some rally in a hall. We have been trying that for three years now, and we have exhausted that scenario. I will not speak to the newspapers about what and how it will be this time. But this must be resolute resistance; that, it seems to me, is beyond any doubt. This hemming and hawing no longer leads anywhere. I repeat: We have been pushed to the wall, we cannot back up any more. So—us or them.

[Vujosevic] Does that not also play into the hands of the regime, because it gives it an excuse for emergency powers?

[Draskovic] There is a thesis propounded by certain leaders of the Democratic Party of Serbia [DSS] that the political parties should actually be disbanded or should become completely passive, silent, and then they will eat themselves up. I do not believe in that. That thesis of passivity and dropping to one's knees suits the regime. Since the St. Vitus Day rally, nothing has happened that would even give them a scare. They know very well that most of our Serbian police are against them, that most of our army and officers, especially the young ones, are against them. Which is why they bring policemen from areas which according to them are in foreign states to be patrolmen in Belgrade, Nis, and Kragujevac.

[Vujosevic] St. Vitus Day is not all that far off. Jezda is no longer here, Dafina is on her knees, the sanctions are being tightened. Can this people put up with another two months while they wait for St. Vitus Day? Will the regime in that time think up some new distraction for the public?

[Draskovic] Well, their falsehood pills are losing their effectiveness. If you give a patient the same antibiotic, after a certain time he becomes immune to it. If you constantly serve up the same lie, at some point it becomes counterproductive and people reject it.

[Vujosevic] Except in the case of the Serbs?

[Draskovic] No. A large part of the people is coming to its senses and sobering up. The present apathy can be interpreted in two ways. The regime interprets it as a sure sign that the people are intimidated, that they have lost hope and surrendered to whatever comes. I nevertheless think that something will come bursting forth from all this. Knjaz Milos knew that very well, and when any gloom would descend on Serbia, he would say: Relax!

I know that many people are still saying: Vuk is to blame for Dafina, Vuk is to blame for the war, Vuk is to blame for the low pensions, for the miserably low salaries, for the hunger, for the sanctions. The people are looking for a scapegoat. Nevertheless, the people are slowly removing from their sights the scapegoat imposed on them and turning the guns of their resentment more and more toward the right target.

[Vujosevic] You are referring perhaps to the Skipetars...?

[Draskovic] No, no! I do not know whether I am expressing a heretical idea. The government is defending the Serbian national interest in such a way that an ever greater number of people are disgusted listening to all they say about the nationality, about patriotism, and I am afraid that they will even succeed, that tomorrow, in some situation when there really is a need for us to defend the fatherland, most of the people will have no will to do it. They have even done a pretty good job of depriving the word Serbia of meaning.

[Vujosevic] Does not the announcement of the rally arrive too early, and does it not offer the government an opportunity to resolutely oppose that intention?

[Draskovic] I am only afraid that this hungry people will go into the streets with no organization and once again be made fools of and tricked with ideas of egalitarianism, of a completely equal pension, equal salaries, a sharing of poverty. The regime is playing that card. So I am afraid of the possibility of a popular rebellion, instead of being five steps forward, turning into something that is 20 steps backward. I am also afraid, of course, of the possibility that the announcement of determined resistance, of a rebellion of empty-handed people who have nothing else they can do except rebel, could provoke the regime to start a war in Serbia in order to avoid that close encounter.

[Vujosevic] Decisive resistance also implies unity of the opposition. Does it exist?

[Draskovic] If there is not full unity, I think there will be, because there has to be. The SPO will not be an obstacle to that unification.

What I want to say is that since 1990 there has not been a single idea about unification of opposition forces which has not been supported by the SPO. Some things perhaps should not be said, but I will say them. The St. Vitus Day rally cost DEPOS a lot of money, and the SPO paid it all. The election campaign cost much more, but again the SPO paid all the expenses.

We have offered, and we are offering even now, for all the parties to disappear into DEPOS, for all the separate fires to be covered, including the SPO and Democratic Party of Serbia, and for us to create a unified party which will be called—the Democratic Movement of Serbia, to announce to Serbia that we have become one.

[Vujosevic] Vojislav Kostunica says that you abused DEPOS. He also said that you went to the Assembly against the agreement. What is your comment on that?

[Draskovic] I will be very frank. After the December election and after the regime admitted that it had violated the election law, I proposed in the Council of DEPOS that we turn in the seats, that is, that we not accept them. Even Micunovic's Democratic Party [DS] at that point was thinking along the same lines. I remained isolated in DEPOS and obeyed the will of the majority. When the DEPOS deputies left the Serbian parliament, no one even telephoned me nor asked me whether they should leave. Mr. Kostunica, together with the DEPOS deputies, judged that they should leave the session. I went along with that and proposed that we immediately set up a parallel parliament of democratic Serbia, that we form a parallel government, that we organize what is called a traveling assembly, so that the 70 DEPOS deputies would be visiting somewhere in Serbia almost every day. Then again I was in the minority. Again I proposed that we turn in the seats. They said: We will not turn in the seats. And we found ourselves in a situation of neither returning the seats nor operating outside parliament, nor in parliament. This is the worst of all the alternatives.

[Vujosevic] Is some of the blame yours for this situation in which we find ourselves? Is there some fault of the opposition? What are the opposition's defects?

[Draskovic] Given the conditions under which we were formed and the conditions under which we have been operating, I think that we are holding on pretty well. At the same time, it does not occur to me to say that the opposition has not made mistakes and is not making them even today.

The biggest mistake of the opposition, as I see it, is that some of the prestigious people still have not understood the fundamental difference between dissenting and operating as an opposition in an organized political party. Some people think that it is enough to go to the speaker's stand, to give an interview, to be witty, to issue a waterfall of words and sentences. But, you see, they cannot win unless there is something more than that.

[Vujosevic] Mr. Draskovic, why did you lose the election?

[Draskovic] I think that DEPOS did not lose the election, but it did not win it either. The SPS [Socialist Party of Serbia] lost the election. DEPOS won 50 seats more than the parties within DEPOS had before this election.

[Vujosevic] How do you interpret the success of the Radicals? Do you think that radicalism does not have foundations in the Serbian people?

[Draskovic] No, this is not Serbian radicalism. Most of them, 90 percent of the votes for Seselj, actually came from renegades of the SPS.

[Vujosevic] Radicalism brings with it excessively strong language and harsh verdicts, even in Pasic's time. It is carrying that kind of baggage even today. This must appeal to someone.

First, I think that we dare not proclaim the radicalism of the so-called Serbian Radical Party [SRS] to be the successor of Pasic's Radicals, although I agree that there was also a great deal of shouting and noise and big and heavy words around Pasic. Pasic himself was not inclined to such outpourings of passion. Finally, in that period, after those thunderous slogans of the Serbian Radicals, and again at the price of a great deal of bloodshed, there were results, there were victories, which provided radicalism with arguments: victories in the First Balkan War, in the Second Balkan War, victory in World War I as well, after that entire golgotha and that suffering. What is more, in that period Serbian radicalism was not satanized by the world. It had allies and support in Petrograd, in Paris, in London, in Rome, and in Washington.

While Nikola Pasic had a strategy of building, unifying and extending Serbian lands, these people have set up watchtowers and customs points on a river that flows through the middle of Serbian space. The midpoint between Knin and Negotin is precisely somewhere on the Drina.

[Vujosevic] Where do you see the sources of the passionate desire to bring down Dobrica Cosic? What has Dobrica Cosic's influence been as a man, as a dissident, as president, as a Democrat, and as a nationalist on the situation in the democratic opposition?

[Draskovic] I think that no one has worked so effectively against Dobrica Cosic as Dobrica Cosic himself. First of all, he has strengthened the regime of Slobodan Milosevic and pointed the battle for the national interests of the Serbs in a fatal direction. I in fact wrote this to Dobrica in July of 1991. Milosevic is his political protege, trainee. It seemed to me last fall that Dobrica had become aware of his mistakes. Unfortunately, he had not. On the eve of the December election, he proclaimed DEPOS to be an undemocratic force.

[Vujosevic] Can the chief of state make a decided choice: Vote for Vuk, for Milosevic, or for anyone?

[Draskovic] No, he cannot. His duty was to behave in one of two ways. First, to become neutral and from the position of the chief of state to guarantee all forces a fair election race. Or second: To be a man and opt for this or that political party and go to the head of its election slate.

[Vujosevic] At the price of defeat?

[Draskovic] Thanks to his behavior in the December election, Cosic dealt himself the most serious defeat.

[Vujosevic] Do you think that it would be wise to replace Cosic now, and who could replace him on the Serbian and Yugoslav political scene?

[Draskovic] He has in fact already been replaced. Milosevic has reduced him to his Evet-Effendi. Milosevic is taking revenge on him, fiercely and primitively, for the "crime" of displaying an ambition to get ahead of him. He, the banker, is now demanding, and is succeeding, in having the author of *Koreni* (*Roots*) and *Vreme smrti* (*Time of Death*) bowing to him and awaiting the banker's every gesture and word repentant, with the words "Evet, evet," which means: Right you are, right you are. Dobrica should not have consented to that humiliation.... And who is going to replace him? No one. This kind of Milosevic has no need at all for that kind of Dobrica.

[Vujosevic] When you recently visited Patriarch Pavle, was there discussion on that occasion of a law against Cosic and of the opposition's return to the parliament?

[Draskovic] There was no discussion of Mr. Cosic at all. A month ago, Mr. Kostunica and I were summoned by His Holiness, and at that time the appeal was made for us to return to the parliament. Mr. Kostunica and I explained to His Holiness why we had left the parliament. We said that four seats in the Chamber of Republics had been stolen from us and that the government had subsequently altered the election law, and we felt that it would not be out of the way for His Holiness to summon not only us, but also the thief, the Socialist Party of Serbia.

Two weeks later, a new summons came, and we were told that Mr. Milosevic had also been invited or that someone who would represent the SPS would come in his place. At that meeting with the patriarch, which was attended by the entire synod, none of the representatives of this thieving party appeared. The patriarch begged us once again to return to the parliament, adding that representatives of the incumbent party could humiliate him, but they could never degrade him, and that he would ask them again, if necessary, once again, twice, three times. And that he would tell them and appeal to them to restore to the opposition what the opposition was entitled to under the law. But then a bishop spoke up and a nonparty representative of DEPOS, saying that it was not a good thing to publish that the patriarch is appealing to us to go back to the parliament, that that is not the business of the church, and that the fact that His Holiness had uttered something like that should in fact be concealed. We parted with the conclusion that nevertheless the communication should say that the discussion concerned a return to the parliament. I can say that I was not a bit surprised that the SPS did not respond to the invitation from the Serbian patriarch. Their patriarch is not here, their patriarch is in Moscow. It is Ruslan Khasbulatov, a Chechen, a Muslim by faith.

[Vujosevic] If what we spoke about a little while ago in extremely roundabout terms ended in a triumph of the opposition, do you think that in that case the world would assist democratic reforms in this unhappy country?

[Draskovic] On the basis of the meetings and conversations we have had in the Western countries, I am sure that they, above all, the Americans, the English, the French, and even the Italians, desire this return of ours to the democratic world. I know that in that case corresponding financial aid would also come. There would also be aid to Russia, but Russia needs a great deal.

[Vujosevic] But they have not helped at all?

[Draskovic] Some $10 billion or so, which is nothing for Russia, but for Serbia, right now, after this entire economic upheaval, $2 or $3 billion would be a large foundation for large projects and a real rebirth.

[Vujosevic] They have not given aid even to Croatia. Whenever they can achieve their objective for free, why would they give any?

[Draskovic] They do not have any good opinion of the regime in Croatia. To say, as Mr. Micunovic did recently, that it does not matter what kind of regime there is in Serbia, because the Americans somehow cannot organically support the idea of Serbia extending from Knin to Skoplje, I think is frivolous. Greece provides Micunovic the best refutation. Thanks merely to the fact that the regime in Athens is democratic and an active member of the contemporary world, the Greeks are succeeding in contesting the flag and name and international recognition of a foreign country, Vardar Macedonia. Just imagine if we had that kind of order now. Never, never would there have been war or the disintegration of Yugoslavia. This regime is a thorn in the eye of the United States and the West for one particular reason. They are willing, I am afraid, to do even something rash, just to get rid of Milosevic as soon as possible. I have evidence that no one has agitated and is now agitating so much and financing so much a bolshevik counterstrike in Moscow as these people here. They have realized that the people in power in Belgrade open an umbrella when they hear that rain is falling in Moscow on the square where followers of Ruslan Khasbulatov are gathered.... Aside from that, the Americans are seized with horror at any idea of ethnic cleansing, they say that that is a direct blow to the foundations of the United States.

In the top levels of the American administration, I have nowhere encountered the view that the idea of Serbian lands from Knin all the way to Djevdjelija, if you like, is genetically abhorrent to them. The idea which I expounded at one time to Alija Izetbegovic—four plus two—was accepted even in the United States. The authors of that project at the international level were in fact Americans. They proposed an association of Bosnia, Serbia, Macedonia, and Montenegro, which in future would enter into looser ties with Croatia and Slovenia. And what is "four plus two" except precisely our land from Knin to Djevdjelija?! And let us not be deceived that the United States is not taking into account its own strategic interests, that they are not thinking there about the possibility that Germany might want to break through once again to the Bosporus and the Dardanelles.

[Vujosevic] Do you think that the assertions made here about such intentions on the part of the Germans are not accurate?

[Draskovic] That tale of the SPS and SRS is ignored in the United States because they judged that at this point Germany, even if it has such intentions, has no chance of realizing them. The Americans also know about the wartime alliance of Serbs and Americans. Accordingly, the only place where they can build an American strategy of preventing a possible future penetration of Berlin toward Constantinople is this space where the Serbs are.

[Vujosevic] Let us turn now to Bosnia. How do you interpret the refusal to sign the Vance-Owen plan?

[Draskovic] The Assembly in Bileca adopted a decision which is worthy of the superhuman and celestial qualities of our people, when it opted for a war between Serbia and the world. There is no doubt, and if there is, there ought not to be, that Karadzic and Milosevic's favorite poet Bozidar Vucurevic will grind up the world. The 12 million Serbs to whom they are appealing will make quick work of five billion enemies. The only problem, perhaps, is that there are not 12 million Serbs and the war between Serbia and the world is supported only by those one and a half million who voted for Seselj and Milosevic, and 90 percent of them are over age 60. So, these former members of the Communist Youth League of Yugoslavia will crush the planet. It never occurs to Milosevic and his son to go to the front. Karadzic has moved his son to Belgrade out of harm's way. They are for war, but for other people's sons to be killed.... It is revolting to listen to Percevic and Dacic, the Laurel and Hardy of the SPS, rabble-rousing for their contemporaries to die, while they strut around in silk suits on television screens. To the war, to the front fighting ranks, you bum, if we have to wage war. We do not, of course, have to, but if we must, then Milosevic, Karadzic, Hadzic, Bidza, Buha, Nogo, Crnevic, and unfailingly their children have to go to the front ahead of anyone else! Only that way and only then! In 1914, King Peter was with both sons at Kolubara. And when the army faltered and began to leave the front, the king of Serbia said: "I free you of the pledges you made to the king, but with my two sons I am staying in the trench to defend Serbia!"

[Vujosevic] What should have been done in Bileca? As Izetbegovic had done, he should have just signed up and put seven conditions. And our people could have signed under five or six conditions. And they would have had the advantage.

[Draskovic] They should have said: Is it not true that the Skradin Straits and the hinterland of Skradin are settled predominantly by Serbs and is it not true that the Serbian side consented to give the Croats a land corridor across their territory? We are asking the Croatian side to reciprocate and across their province in the Sava Valley to provide the Serbs the same such corridor. In that case, we would get a corridor. The world would twist the ears of the Croats, they would have to accept it.

[Vujosevic] One of the key points of official Serbian policy is that the world is to blame for everything that is happening, beginning with Germany and ending with Yeltsin. In what way is the world actually influencing this crisis, in what way can it resolve it?

[Draskovic] It would not surprise me to find Brana Crncevic and Seselj on the editorial commission for a new edition of the Old Testament, and for them to add that God had said: "I am creating this world in order that it might hate the Serbs!" The world does indeed hate the Serbs, with the proviso that the Serbs and Serbia exist only since Milosevic's Eighth Meeting. Since that meeting, the world has very successfully been provoked to conduct a policy against those leading Serbia. And on this point, the world has been more or less completely agreed, except for a few exceptions who instill hope in us. I am not one of those who says that now we should not associate with Iraq or North Korea. Hold on to Korea, hold on to Iraq, hold on to what you have, because you did not deserve even that.

[Vujosevic] Do you think nevertheless that there is a strong anti-Serbian tendency in Europe and that there are certain interests which are bound up with that tendency?

[Draskovic] It is, of course, true that much of what is now being said about us in the world is not true. But the snowball has been started, it is rolling, it is getting bigger. It is already becoming an avalanche which is clearing out everything in its path. Five years ago, I began to warn that a policy of spite and the ultimatum of one man with his head thrown back, his thoughts somewhere in the heavens, would eventually mean our losing two centuries of history, the last two centuries of all our efforts to create a state. However, he has managed to do much more than that. Two centuries was an understatement! He has jeopardized our national identity, its essence. If in France today you read that even Karadjordje carried out ethnic cleansing, then you realize that the world has gone crazy and is not using its head. Well, yes, Karadjordje did carry out the ethnic cleansing of the Turks, just as the French carried out ethnic cleansing of the Germans, by driving the Germans out of France. But do you really want the world to understand you when you have that kind of politician and you wage that kind of war? Are you going to expect the world to applaud the Serbs when all the world television networks are carrying direct coverage of the insane bombardment of Sarajevo, Tuzla, and Mostar? They are not our people. I do not admit that Serbs are pounding Sarajevo with artillery from up there. I refuse to admit that people are Serbs when they put Vojvoda Stepa's cap on their head and think that under that cap they have Vojvoda Stepa's head, blathering from television screens: "We take no prisoners, we kill them all!"

[Vujosevic] Let us go back to Bosnia once again. It seems that in the world they think that Milosevic has had enough of war in Bosnia.... What do you think about that?

[Draskovic] The end of the war in Bosnia perhaps suits the regime in Belgrade, but the end of the war does not suit it. This regime is like a drunken bicycle rider. He stays up on the bicycle as long as he turns the peddles. As soon as he stops, both rider and bicycle fall with a thud. Peace brings down this regime, as well as the one in Bosnia and the one in Zagreb. Certain important reasons for perpetuating the war in Bosnia have been exhausted. I think that there is nothing there any longer even to steal. Dafina has come to a stop, certain wartime injections of stolen foreign currency and gold are once again needed to maintain the regime. Where is such a conflict going to be provoked? There is no longer anywhere except in Vardar Macedonia and after that the cancer will begin to eat Serbia as well.

[Vujosevic] Does that mean that Milosevic has abandoned the Serbs outside Serbia?

[Draskovic] No. For two years now, he has very successfully and amazingly without resistance been carrying out a plan to change the population in Serbia. At the beginning of 1991, Serbia already had about a million and a half, according to some people even an entire two million, resettled Serbs, some after World War I, some after World War II, from Croatia and Bosnia. The present war in Croatia and Bosnia has brought to Serbia, up to this moment, about a million more Serbs from those territories of ours, and about 400,000 Serbs from Serbia are spread all over the world.

I have been apprised by people around the Serbian president of frightening intentions to incite those Serbs against the Serbians so that the Serbians would be the ones who would have to leave in large numbers, to flee, under the brand of treason to the nation, under the accusation that they are bad Serbs, poor-quality Serbs, small-minded people, merchants, so that if Bosnia and Herzegovina and the Serbian Krajina are completely lost, Milosevic and his people would have somewhere to put those whom they have displaced from their homes and whom they have made unhappy.

Finally, listen to what Seselj is babbling, and you will know what Milosevic is thinking and intends.

No. There must be no further retreating. Young people of Serbia, do not flee from Serbia, stay here, and let us defend and save Serbia!

[Box, p 18]

Seselj and Djerdap

[Vujosevic] What do you think about Seselj's proposal that Serbia demolish the Djerdap dam?

[Draskovic] Such a disaster has long been a dream of all the Croatian Serbeaters. Even Broz had similar plans in 1948. He was obsessed by the idea of flooding Vojvodina and half of Serbia, supposedly in order to defend the Serbs against the Russians. The unhappy Seselj has for three years now been proposing projects, and in fact has been carrying out many of them, which are absolutely to the measure and taste of the Ustasha forces. The Serbian Ministry of Internal Affairs can issue him 1,000 birth certificates saying that he is a Serb, but in what he does every day he is writing an Ustasha birth certificate for himself.

Facts on Purges in Belgrade Radio, TV

93BA0908C Belgrade BORBA in Serbo-Croatian 3-4 Apr 93 p XIII

[Article by D. Pusonjic: "Conspiratorial Picture of the World"]

[Text] *A few days ago the independent trade union issued a brochure that proves with facts that the mass mandatory furloughs in radio and television are the regime's direct settling of scores with dissidents.*

"The best broadcasts have been canceled, editorial offices have been destroyed, and entire programs have been silenced. Unsuitable professionals have been replaced by obedient journalistic beginners and politicized dilettantes, party propagandists, members and sympathizers of the SPS [Socialist Party of Serbia] and the SRS [Serbian Radical Party] and a large number of refugees.... In that way, the SPS, preparing for several years of rule over society, has completely taken over the main level for its authority."

That is stated in the summary of a brochure, "Purges in RTB [Belgrade Radio-Television]—January 1993," which was published a few days ago in a printing of 150 copies by the executive committee of the Independent RTB Trade Union. The authors of the brochure say that it represents proof that under the guise of streamlining, during the last two or three years scores have been settled at RTS [Serbian Radio-Television] with political, union, and nationally unsuitable journalists and other employees of that firm.

The summary of the brochure, which was prepared in connection with the January forced furlough of dozens of RTS employees, also says: "The purging of journalists from the program was part of the process of establishing absolute control, primarily over the key political news programs at Radio-Television and critical magazine broadcasts. At the same time, a populist concept has been imposed upon cultural and musical broadcasts. The opening of individual RTV programs, which had just started, was replaced by the most vulgar propaganda by the ruling party."

The brochure cites six groups that were affected by the purge. First of all were the "unsuitable parts of the program," namely the news, cultural, and artistic-entertainment television editorial office, as well as the first radio program's political news, educational, and music editorial office. From the information attached (the full names of the employees on forced furloughs), it can be seen that, for instance, 19 journalists and editors with a length of service between 10 and 25 years were furloughed from the television news editorial office, while from November 1992 to January 1993, 28 new journalists, mostly beginners, were employed by that same editorial office. Things are not any better at the Radio Belgrade first program's political news editorial office, from which 23 journalists were removed, while in just a year and a half about 30 journalists, also beginners, were hired as permanent employees to replace them, along with an enormous number of honorary coworkers.

The second "risk group" is the Independent RTB Trade Union, almost the entire executive committee of which (a total of 14 out of 17 members), headed by president Lazar Lalic and founding writer Filip David, was sent on forced furloughs. It also affected all this trade union's activists and stewards at TV and the first radio program, so that the work of this trade union was actually banned, and through the ban on its members' entering Serbian RTV, normal activity by the trade union itself and its operation within the firm were prevented.

The third risk group consists of the journalists on Seselj's list to be shot. RTS's list for forced furloughs also included almost all the names from Seselj's list, read on the evening TV news in April 1992, during the strike by the second radio program. The brochure's authors noted the "high frequency of non-Serbian names" here.

The fourth risk group consists of the members of the strike committee of the unsuccessful general strike at RTB in April 1992 (seven members, all on furlough).

A separate group consists of "individuals who spoke out critically in public," advocating defense of the profession of journalism, or membership in independent journalistic forums. This also includes members of opposition parties, opposition deputies from RTB, or members of professional associations and cultural institutions. "By the decision of the one-party RTS committee and Milorad Vucelic, the firm's general director and member of the SPS executive committee, they were all expelled from RTB as unsuitable," the brochure says.

Finally, the sixth risk group consists of individuals who opposed the boss's despotism, i.e., anonymous employees who rose up in defense of their profession, and "if they were more anonymous, the act of removing them from RTV was more brutal toward them and with less formal consideration."

"The key proof that at least in the program part of RTV this does not involve economic rationality, but rather a bare political purge, is the fact that during the past two years RTB has hired as permanent employees 220 workers, most of whom are journalists. This is from the Independent Trade Union's verified but incomplete records, which means that the real number of newly employed people is far higher.... Consequently, while lists of surpluses were prepared and the dismissal was going on, 95 journalists were hired.... A previously unprecedented number of honorary coworkers have been brought into the firm, and primarily into the editorial offices where the purge was carried out," the brochure states. With respect to the economic "results" of the streamlining, it is stated that the worst-paid workers were sent on forced furloughs, and so the alleged savings of 20 percent that is taken out of their pay is negligible under the conditions of galloping inflation.

The brochure's authors particularly emphasize the statement at a 6 January press conference by SRS President Vojislav Seselj, who said that the forced furloughs at RTS represented "a purge of undisciplined and partisan journalists, which is necessary" in order to "completely settle the situation at RTS." "Wherever we are in power and share authority a purge will follow," Seselj promised, and in the Belgrade evening TV news on 9 January, he was supported by young SPS leader Goran Percevic, with the statement that "those who do not think as we do" cannot work in state institutions.

[Box, p XIII]

Criteria for "Leave"

Forced furloughs have affected many well-known names, such as Milica Lucic-Cavic, Mihajlo Kovac, Cedomir Mirkovic, Filip David, Dragan Nikitovic, Slobodan Stupar, Rade Radopvanovic, Olivija Rusovac, Ivana Stefanovic, Dragutin Rokvic, Djuro Vojnovic.... We have singled out, however, some characteristic cases of RTS employees who have also been sent on forced furloughs but are not known to the broader public.

Petar Stankovic: The only copier at the television station, who services several units. Working as a copier, he did not refuse to duplicate even Independent RTB Trade Union materials, which the leadership took amiss and put him on the list for an indefinite forced furlough. The need for his work did not end, and it was taken over by another employee. The coefficient for his pay is below the subsistence level—1.40.

Milos Prolovic: a doorman. Another employee was brought in to replace him. The social situation of Prolovic's family is extremely difficult. His wife is not employed. They are supporting two children (one three years old, and the other a three-month-old baby) and Prolovic's mother. He is a subtenant. He lacks funds to buy fuel and clothing for the children. A year ago, he suffered a serious traffic accident, and he is still facing several operations, but because of his low earnings he did not take sick leave. He is a member of the Independent RTB Trade Union.

Mirjana Lamez: A sound engineer in studio technology, with 25 years of service. The need for her work, which was taken over by another employee, did not cease. With her departure on a forced furlough, her family's social situation has deteriorated drastically. She is supporting six refugees. In her case, none of the so-called criteria for sending people on indefinite furlough were taken into account, not even the social welfare ones.

Association of 80 Factories Formed

93BA0911B Belgrade BORBA in Serbo-Croatian 29 Mar 93 p 14

[Article by Rados O. Dragutinovic: "Eight Private Businessmen in Jagodina Come Together on a Project"]

[Text] Among Serbian private businessmen, the "Jagodina syndrome" is known as an example of how to do things. In this city in the Morava Valley, the only true industrial park of private businessmen has been built in the Republic of Serbia: There are some 20 production plants on one plot of land. Encouraged by this success, the Jagodina private operators have undertaken a more venturesome initiative and conceived a project given the popular name: "80 New Factories" and received support for this action from the opstina in the form of allocation of an 18-hectare parcel of land in the city's industrial zone.

"So that we could carry out our project as rapidly and successfully as possible, we decided to create a consortium that would include seven of the strongest private firms, but also the cooperative of private artisans Vihor, which deserves the most credit for building the present production center of entrepreneurs," says Dragan Nikolic, president of the Federation of Associations of Independent Businessmen of Serbia, but also the head of the local trade association. "The consortium will consist of Feman, Metalka, Dabar, Grujomat, Sistem, Trend, MB Grafik, and Vihor. The reason for creating the consortium was to speed up construction, that is, to concentrate capital, because we want to immediately buy that 18-hectare parcel from the opstina, for which we need to put up 2.4 million marks. It is our assessment, I am referring to this group of business people, that we have that potential and that it will be most effective that way. For example, Metalka and Feman are the two strongest private firms, and they will each buy 3.8 hectares. Above all, for their own expansion of production plants, but also for later lease-sale to interested domestic and foreign firms or individuals."

"The consortium will officially come into existence before 1 April," says architect Malisa Milenkovic, the consortium's acting director. "This association of businessmen organized around their interests was conceived as a temporary one; that is, it will last as long as there is work to be done.

"Aside from businessmen from Jagodina, we also expect great anticipation from people who have been working abroad temporarily and want to come back to their native place and start up some business. Even earlier, we had quite a few foreign businessmen interested in opening a plant in our industrial zone either directly or through our people who have worked abroad for a long time."

The construction of 80 new factories is a big chunk to swallow, but the Jagodina businessmen believe that it will not get stuck in their throat. There is a guarantee for optimism in the way the new factories are being built, but also in the financial support of "their bank." That is, the consortium will have the obligation to provide the infrastructure to the building site in stages, but not on the basis of all the roads, substations, water supply, and sewers all at once.... The work will be done according to needs and capabilities, because that is the way in which the production plants will also be built. Whoever has the money and ambition will be able to invest in production space or office space, but the consortium will furnish him optimum infrastructure.

"Our optimism relies most of all on the branch of the Prva Preduzetnicka Banka dd [First Business Bank, joint stock company]," Dragan Nikolic says. "This bank was in fact established to give full support to development of private initiative, which it has done very effectively over the last year. The Jagodina branch has been very effective, and it has succeeded in bringing together quite a few private businessmen as shareholders or as users of services. With the help of the Belgrade headquarters, all those private operators who would like to build production plants, but also to undertake other business as part of the '80 New Factories' project, will have the help and support of Prva Preduzetnicka Banka."

Nis Savings Company Affair Detailed

93BA0903G Belgrade POLITIKA in Serbo-Croatian 2 Apr 93 p 10

[Article by Tihomir Nesic: "Savings Depositors Gave the 'Banker' a Bath in the Nisava in Midwinter"]

[Text] Nis, 1 Apr—The scandal of the credit union in Nis has been unfolding somehow in the shadow of the events surrounding Jugoskandik, although the investigation of the business operation of the Evropa Savings Bank showed, although the sums involved were small, perhaps the entire system of private banking and the scramble for rapid and large earnings by offering astronomical rates of interest.

It is certainly worth paying attention to the fact that two figures in the Nis scandal have gone to jail at their own request in order to save their skins. It is well-known that those from whom she took money kidnapped Ljubinka Stankovic, owner of the firm Pavic, and used every means of collecting their debts. And because they failed at that, although she has sold her house, even that was not enough to repay several hundred thousand marks, she judged that she would be safer in prison.

Mirko Simic, owner of the Evropa Savings Bank, who had been its general director, did much the same, it was revealed during the investigation, because savings depositors gave him a bath in the Nisava in midwinter. It is still not known who did that, although there are witnesses who saw him being dropped soaking wet from a Yugo whose license number ended with 117.

Saving "on Trust"

The method of "business operation" discovered is still more interesting. No one got suspicious when in the Nis settlement Durlan there were three firms in one private house: Pavic, a commercial firm, and Evropa and Balkan, two savings banks. It is in that triangle, it seems, the "deed was done."

The business was run "on a friendly basis," and the guarantor was Simic, a prestigious man and former director of a large firm. So, savings deposits were made, there were no passbooks or any other documents except receipts, which had no numbers and were not entered in a book, and "to the credit of Mirko Simic" had to be written on them; tens of thousands of marks were deposited, because high earnings were promised—the rate of interest ranged between 20 and 30 percent each month.

The accused Simic says that he gave the foreign exchange collected in this way to the Pavic firm, for the owner Ljubinka Stankovic to put somewhere in a time deposit or to "earn a return" in business. And she did make a return buying and quickly selling cigarettes, petroleum, and other scarce products. The inquiry shows, although names are still not mentioned, that she did this with directors of socialized firms, with whose managers she shared the profit in the form of a commission.

The money flowed between the Pavic firm and the Evropa Savings Bank "on trust." And that is now the trump card in defense of the accused. Because Simic received the savings deposit and issued a receipt, his defense is that actually this was not savings, but a loan from a friend. Stankovic says that she returned the money to Simic, but again this was "verbal."

Both mention Miroslav Solevic, well-known from the events in Kosovo a few years ago, who, it turns out, was the majority owner of the third firm in the same house, the Balkan Savings Bank. He says that he is clean in all respects and that he has proven this in all the inspections made by all the competent authorities. For the present, he said, his only connection is that he lost some 10,000 marks in this deal.

Solevic also offers a partial answer to one of the important questions troubling the investigation: Where did the several hundred thousand marks get to in this "friendly" borrowing and stealing? The money, according to Solevic, was lost in business operations that were clumsily conducted and unfinished, mostly on goods purchased and not sold quickly enough for inflation not to eat up what had been invested. The rest is with those who nevertheless have been the greatest friends in all respects and did indeed get "interest rates unprecedented in the world."

For that reason, emphasizing that his name is being brought into this only in order to create a fog in which others could conceal themselves, Solevic says that if the matter is cleared up seriously and completely, while they chase the rabbit, they will also start the bears. Who those "bears" are is a question being heard with increasing frequency in Nis.

"Tragic Figures"

After all, aside from the fact that their reputation and friendship were used, what is revealed behind Solevic's assertion that Simic and Stankovic are "tragic figures" makes things more entangled. Thus, alleged attempts to sell off MIN [Metal Industry of Nis] through ownership transformation while he was general director are associated with Simic, while on the other hand he himself admits in the investigation that since his days as a student he has had a taste for drink and that those appetites have grown along with his income. In the course of the investigation, it was said of the owner of the Pavic firm that five or six years ago, because of misuse of position and embezzlement, she was given a suspended sentence of eight months in prison. And the crime is said to have been this: giving double and triple salaries to a group of medical specialists and administrators of the health center. Her clinical treatment is mentioned as an argument concerning competence to conduct business and it was even said that if she called for those medical analyses, she could force criminal proceedings to be stopped.

However, those to whom they owe money are obviously worrying the accused. That is, none of them wants to join in the criminal prosecution, because, they say, if they go to prison, there is no chance of getting their savings back. They also make mention of clearer messages: We want money or heads.

Which is why now Simic as well, through his lawyer, is announcing the sale of his house and other property in order to return to "friends" what he owes them. But just in case he is first announcing reimbursement of those to whom he owes between 100 and 500 marks, because "those who invested between 10,000 and 20,000 marks have something to live on and can wait."

The investigation is being conducted by two investigating judges, and there are many indications that the two cases may be joined, and then we will see what game flies up out of both bushes.

Budget for 1993 Based on False Projections

93BA0900A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 29 Mar 93 p 12

[Article by V. Dukanac: "Fictitious Budget"]

[Text] What the republic budget is based on; the adoption in principle does not mean that a budget exists; printing money is the main source.

Last week the Serbian Assembly deputies, with a considerably changeable mood, nevertheless adopted the proposals for the law on the republic budget and the law on the overall resources for financing public expenditures for this year. Specifically, through the discussions in the Assembly's working bodies, almost all the committee members tried, in the already well-known manner, to promote publicly some of their local interests (depending on where they come from), and through somewhat more than about 50 amendments, they sought a bigger share of the budget pie. Since it was already clear to everyone in the meantime, admittedly not even the government representatives (at least in the committee meetings) concealed the fact that the budget balance projection was mostly based on a fictitious projection of public revenues, and that as such it could not even survive for a couple of months, in the general plenary discussion the deputies turned to a fairly unprincipled criticism of the government. For the most part, they publicly overemphasized budget items to which voters are receptive but which are financially insignificant, such as, for instance, the so-called special pensions, the financing of SUBNOR [Federation of Associations of Veterans of the National Liberation War] and veterans of this war was compared, and an end to financing the defense and foreign ministries was demanded, even though when the republic government was accepted, just a few weeks before, almost no one raised that issue.

Otherwise, the overall balance of public expenditures and public revenues, as Republic Minister of Finance Slavoljub Stanic also clearly stated, has been formulated on the basis of trends last year, "when public revenues were 21 percent of the social product and public expenditures were 31 percent, and when in practice the deficit in this sector amounted to 10 percent of the social product." In spite of everything, Stanic also admitted, the projections for this year's budget "count on a growth in industrial production, as well as certain results in agricultural production, at least in last year's volume."

The budget itself, in any case, has been proposed in the volume of 59,207 billion dinars, and is mostly (90 percent) covered by this kind of optimistic projection of original revenues (about 40 percent from sales tax, 20 percent from the tax on citizens' income, and other revenues), and the remaining 10 percent will be financed from the primary issuance. In order to finance the provinces' work, 200.9 billion dinars will be allocated, as well as 124 billion for the municipalities; 32 percent of the budget will go for traditional budgetary expenditures, and within that framework, 22.5 percent of the volume of the budget (or 13,507 billion dinars) will be spent just on wages for employees in the state service. Somewhere around half of the budget (29,100 billion) will go to finance so-called public services. Here as well most of that money will go for employees' wages, so that of the total volume of the republic budget, 76 percent is planned precisely for personal earnings (wages and social allowances), while during the first two and a half months of this year, in practice 90 percent of the budget was spent for these purposes. The existing personnel in state and other public services are thus being maintained, with almost no mention of the economic side of the budget at all.

In spite of this, however, the government itself, as Stanic claimed, is now preoccupied with measures to stimulate production in those sectors where it is possible on the basis of domestic resources, and "I must say," Stanic said, "that the appropriate ministries are already working on concrete production programs and on activating those resources that can be activated in this situation." While maintaining this volume of public spending, the state neither has money, nor has there been any room to maneuver in order to impose these concrete production programs, except for pressure for the further printing of money or for the introduction of a "labor obligation," as in every war economy. Apparently none of the deputies was even interested in how the government really would do it, except that a proposal for some sort of labor obligation was also heard this time in the Assembly. Only Zoran Djindjic commented that there was an absence here of any elementary awareness of the importance of the budget for a state's policy, as well as an awareness of discipline in any respect—including the state in this, naturally. It is already clear, Djindjic said, that adopting this budget, whose projection can only survive through taking more from the economy and printing more money, which in turn means higher inflation, actually means that we are adopting a "black hole" that will swallow up everything, especially the possible real germs of any economic development in Serbia. "All of this indicates that the budget will still have to be mostly financed from the primary issuance, because soon the state will not have anyone to take anything from, which will quite certainly be a further generator of galloping inflation" (Zoran Lakic), because "no one in the world has been able to live with an economy that uses less than 40 percent of its capacity" (Slobodan Radulovic).

For most of the regime's deputies, however, the proposals for these laws simply had to be adopted, because "they accompany obligations that the republic has under laws already passed" (Branka Jesic). In any case, according to what was also announced by the deputy prime minister in the concluding speech of the general discussion (which this issue of EKONOMSKA POLITIKA covers), the Serbian Government is going to reexamine its hitherto ambitious centralization of overall public authority and public finance. Naturally, it remains to be seen how much this will only be an apparent relativization of the "excessively" apparent centralized responsibility at the republic level, which can cost a great deal in these impoverished times.

Debate on Financing Public Works

93BA0900B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 29 Mar 93 p 13

[Article by V. Grlickov: "Scope of the Primary Issue"]

[Text] Public works should be financed by the primary issue, because that is the only way that the state can actively influence a revival of dead economic activities. There are no other sources for financing public works:

budgets are financed by deficits anyway, and it is an illusion to believe in the success of issuing a new bond. The primary issue for public works should not be viewed through monetarist eyes. In fact, it would be partly covered by production (supply), which it would stimulate in a "purposeful and controlled manner." By the way, the theoretical assertion used to prove the necessity of the primary issue for public works is as follows: restrictions on the primary issue are inadvisable, since under the conditions of dominant social (state) ownership, they have never yielded the desired effects. This was the basic message of opening speaker Dragoljub Vesovic at a one-day conference held in Belgrade on the subject of "Public Works—Yes or No," organized by Beobanka and the City Chamber.

No one at the conference, which brought together a large number of businessmen, bankers, and scholars, rejected the idea of public works as a stimulus for production. Nevertheless, the danger was clearly pointed out (by Ljubomir Madzar) that in today's conditions it could lose any meaning, since it is being proposed that the primary issue be used to stimulate demand, which, in turn, is not the reason for the fading of economic activity. The problem is that it is not possible to ensure supply because of major structural disruptions, the impossibility of imports, and the lack of real capital. Public works, as envisioned here, will create unnecessary competition for the use of scarce resources (foreign exchange, capital), and thus threaten the only types of production that have prospects in today's conditions (agriculture, apartment construction, etc.), and which were unjustifiably excluded from the budget as branches to be encouraged with real funds. These are branches with unutilized capacity (in construction, 200,000 workers are not employed).

Another problem is what is meant by the concept of public works, i.e., which projects should be candidates for the use of the primary issue. It was already clear from the subsequent elaboration of this theme of the conference that considerably broader demands were implied than are covered by traditional public works. It turned out that they involved infrastructure projects and investments (including the complete construction industry and not just parts of it, and also "small" tourism, duty-free zones, etc.), in which it is not rational to invest today, because the most important thing is nevertheless, as Dragutin Marsenic said, to ensure food and vital necessities for the population, and not investments. Real public works in the basic infrastructure (the construction of roads, highways, irrigation systems, heating systems, land development, etc.) should be encouraged with real funds and not the primary issue. Otherwise, the already oversized budget deficit will increase even more, and there will be no chance to reduce traditional budget expenditures and redistribute them in favor of public works.

In any case, public works, understood as a stimulus for production that can ensure a supply of goods (services), without any intention of being used as an occasion for further nationalization of the economy (but only as an active instrument for the state to stimulate production), were supported by all the participants in the one-day conference in Belgrade. The primary issue as a source of financing was most disputed, especially when it is used for areas where objectively production cannot be stimulated. The danger is that this kind of essentially worthless money will cause additional inflationary shocks.

Kosovo

Serbs Kill 2 in Djakovo, 1 in Pristina, Wound Others

AU0405204393 Tirana Radio Tirana Network in Albanian 2000 GMT 4 May 93

[Text] The Serbian military and police forces attack Albanians in Kosova—three dead in Gjakove and Prishtina. In Brekoc village of Gjakove at the border between Kosova and Albania, the Serbian police fired with artillery, while the Army guards in front of the Serbian Army Command in Prishtina killed one Albanian. The fighting near the border still continues.

At about 1330 [1130] this afternoon the Serbian police blocked the road to Brekoc village in Gjakove commune, 4 kilometers from the border between Kosova and Albania. After a concocted incident, the Serbian police undertook an operation against Brekoc inhabitants. Meanwhile, the Serbian police divisions entered the village heavily armed with tanks and cannons and opened fire. Meanwhile, helicopters were flying low in the village. The still unconfirmed reports state that two Albanians were killed and several others wounded. As the neighboring villages are in complete state of siege, it is impossible to enter this village. The data received so far confirm that shots have continued for some hours. The tension in this border area has been very high for several weeks, because large Serbian police and military forces are stationed there.

The situation is aggravated in Prishtina, too, after the Serbian Army killed an Albanian for no reason at all. It is reported that several areas in Prishtina are surrounded by Serbian large military forces.

Rugova Warns Serbia 'Trying To Stage War'

AU0405120193 Vienna DER STANDARD in German 4 May 93 p 2

[Interview with Kosovo president Ibrahim Rugova by Dardan Gashi; place and date not given: "President of Kosovo Fears Belgrade Strike Against Parliament"]

[Text] Pristina/Vienna—*After the first attempt by the Kosovar Albanians to constitute a parliament was forcibly prevented by the Serbian police, the democratically elected deputies now want to make another attempt.*

Ibrahim Rugova, president of Kosovo, stated in an interview with DER STANDARD that he expects further *countermoves. "The Serbian authorities have threatened to take drastic measures. Every member of parliament who participates in the constitutory procedures faces a prison term of up to 15 years. The police have already started arresting and maltreating deputies."*

[Gashi] In spite of that, are you sticking to your plans?

[Rugova] We certainly are sticking to our plans. Although we would like to carry them out normally—openly and in a ceremonial way—under the current circumstances, we must also consider other ways and wait for a favorable time. Yet, in any event, we must be prepared for brutality on the part of the police.

[Gashi] You submitted a peace plan to the United Nations. What does it contain?

[Rugova] The most important proposals are for measures to avoid a possible war, to place Kosovo under UN protection, and to supply humanitarian aid on a legal basis. In fact, we welcome the most recent tightening of sanctions against Belgrade, but it does mean that we are facing a double blockade—by both Serbia and the rest of the world.

[Gashi] Do you expect an attack by Serbia?

[Rugova] Serbia is trying to stage a war here. I consider it quite possible that the Serbian troops will attack us once they have completed their job in Bosnia. People here are slowly losing patience and are becoming increasingly radical. We are very worried about that.

Division Between Kosovo Serbs, Montenegrins

93BA0928C Belgrade BORBA in Serbo-Croatian 10-11 Apr 93 p V

[Article by Milos Antic: "Destroyers From the Political Elite"]

[Text] Two days before the recent parliamentary and presidential elections in Serbia, Slobodan Milosevic in vain issued an open warning in the middle of Kosovo Polje, before an audience of several tens of thousands, issued a threat and extracted an oath from Kosmet Serbs and Montenegrins, that is, their leaders, not to quarrel and separate. Divisions in recent months, after the multiparty election, have escalated to the extent that it simply is not possible to distinguish all of the circles and "camps" from which they come, because wherever you scratch even a little below the surface, you immediately come upon divisions into the so-called old settlers and newcomers.

Divisions are present even where the victorious party, the SPS [Socialist Party of Serbia], is distributing power among its people. They are still more obvious where the SRS [Serbian Radical Party] candidate is their principal political rival for some opstina post. They exist in work collectives, various cultural, scientific, and educational institutions. Nevertheless, their most suitable soil are the opstina districts, where usually an undisguised battle is waged between the so-called and self-styled old settlers and newcomers, even within the framework of one political party, for opstina positions, that is, superiority....

Cosmetic divisions, some would say, come from the top of the province. That is, although everything is happening under the cover of internal party life and clearing up things, rumors are reaching the public that it is at precisely that level that the "bone of contention" is being cooked, and then if necessary it is thrown to the local people in the opstina to gnaw. People know about the so-called "Pec coup" of so-called newcomers against Zivorad Igic, a so-called old settler, who is the top man in the SPS Provincial Committee. Because what later happened in that connection stayed strictly within the party's protected inner corridor, it is not known what representatives of the two "camps" said to one another and whether anyone from the republic level intervened in this matter and who it was. All the public knows is that there have been divisions at the top of the incumbent party along the lines of the Serbs who are old settlers and the Montenegrins and Herzegovinians, who are newcomers.

The Kosmet Radicals hardly expected anything of the kind, and they have accused the incumbent party and its most salient and resounding names for all the divisions in Kosmet. Only those whose names were mentioned responded from the camp attacked, and that was the end of it. Actually, what is characteristic of the two "camps" is that it best suits them to pursue their divisions "behind the scene" and give the public some other story. Particular care is taken not to reveal the main figures, to keep their names from reaching the public, and especially from reaching the republic level. In Kosmet, it is clear even to children that the grumblers and those inciting the divisions among the few Serbs and Montenegrins here occupy the most influential positions: in the leadership of political parties, in the okrug officialdom, among the newly elected deputies, in opstina leadership, and everywhere where they have their own people for "networking" and "getting the word out."

Divisions between Kosmet Serbs and Montenegrins did not spring up recently. They were there even at a time when the Albanians had the last word in Kosovo, when they dominated all bodies of government. At that time, they decided which Serbs and Montenegrins would be alongside them, and so those others did not have many occasions to bicker with one another over power, because there were extremely few places for them. But when the Albanians "went off" to their "republic of Kosovo," when they left space to the Serbs and Montenegrins in Kosmet to fight for power within the framework of a unified Serbia, they took this extremely seriously. The main weapon for attaining power to which both those old Serbian-Montenegrin personnel who collaborated with the Albanians and the new ones who have grown up out of the Serbian resistance movement have resorted in secret channels is the issue of the so-called newcomers and old settlers, always suggesting "to their own" respective people that the others want to displace them and that they are the main ones.

It all escalated when a sizable number of personnel from the so-called old-settler "camp" came to the surface in the last election, especially in the victorious party. As a matter of fact, even before the election it was obvious that in this election, by contrast with earlier ones, the Belgrade headquarters of the SPS had decided to rely with the help of certain personnel on that majority old-settler element in Kosmet. It thus won a convincing victory. In the division of power, it had nevertheless tried to be fair and to prevent further divisions. However, certain specific examples very quickly showed that that would not be easy. In many opstinas, in Kosovo Polje, for instance, it turns out that the divisions are not even close to being overcome. It has bothered many people, for instance, that the very top leadership of the city of Pristina is made up mainly of so-called old settlers. What is worse, new head counts have begun. For some people, the so-called newcomers are still ruling Kosmet, because they are dominant in positions of leadership in the okrugs, provincial bodies, work collectives, and the media.... For others, on the other hand, it is more than clear that the so-called old settlers, or as they are pejoratively or popularly called, the "sparrows," have completely taken power and are trying to displace the so-called newcomers wherever they can. What bothers them, that is, certain old Kosmet personnel, is that the free election has for the first time given the Kosmet old settlers a slightly larger number of their own authentic representatives. Before the last election, the number of their representatives had been reduced to a few names. Now that the number has increased, those accustomed in all weathers to be first or among the first feel threatened, especially since these newly elected ones are raising certain issues unpleasant to them.

In any case, the divisions are continuing, and, it has been announced, a new provincial assembly will soon be elected, and then many will have good reason to fear that those divisions will break out into an open political showdown.

Vojvodina

Hungarians, Croats 'Concerned' by Serb 'Falcons'

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[Text] Hungarians and Croats who live in Vajdasag [Vojvodina] are concerned because the Serb Falcons, a paramilitary organization founded in the province, have called for fighting against the minorities.

The representatives of the Hungarian and Croatian minorities, who live in the province, told this to the Serb government commissioner of the province. They also resented the fact that extremist deputies of the Serb parliament regularly come to Szabadka [Subotica] and units of the Serb Interior Ministry take violent action against people who are mobilized.

The government commissioner has repeatedly denied the Hungarians' and Croats' allegations. Bozovic disapproved of the fact that the minorities of Vajdasag have turned to international organizations with their complaints and exaggerated them.